Agriculture and Agri-Food Canada

2013–14

Departmental Performance Report

Honourable Gerry Ritz, P.C., M.P.,
Minister of Agriculture and Agri-Food

2013–14 Departmental Performance Report

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Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective Reports on Plans and Priorities. Departmental Performance Reports inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in Departmental Performance Reports is drawn directly from authorities presented in the Main Estimates and the planned spending information in Report on Plans and Priorities. The financial information in Departmental Performance Reports is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the Departmental Performance Reports, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the Departmental Performance Report.

The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in Departmental Performance Reports, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the

organization is reporting in the Main Estimates, the Report on Plans and Priorities, the Departmental Performance Report or the Public Accounts of Canada.

A number of changes have been made to Departmental Performance Reports for 2013–14 to better support decisions on appropriations. Where applicable, Departmental Performance Reports now provide financial, human resources and performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the Departmental Performance Report's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in Departmental Performance Reports and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

Minister's Message

The Canadian agriculture and agri-food sector continues to be a major contributor to this country's economy.

In 2013, Canada's farmers and food processors earned more money from the global marketplace than ever before, with exports reaching more than $50 billion in agriculture, food and seafood products – a new Canadian record.

Our Government's goal is to set the right conditions for farmers and processors to compete, succeed and grow Canada's economy. Through the federal-provincial-territorial *Growing Forward 2* policy framework and other key Agriculture and Agri-Food Canada programs, we are helping farmers and the agricultural industry innovate and compete in domestic and export markets. With a shift in focus towards strategic investments that promote innovation, competitiveness and market development, *Growing Forward 2* is investing more than $3 billion over five years, with a 50% increase in funding for cost-shared strategic initiatives. Further strengthening our commitment to agricultural innovation, we introduced the *Agricultural Growth Act*, which includes amendments to the *Plant Breeders' Rights Act*, helping farmers sharpen their competitive edge with new and innovative crop varieties and stimulating investment in breeding and variety development.

Almost half of Canada's total agricultural production is exported, with continuing growth potential in the sector to expand markets abroad. Our Government is aggressively pursuing bilateral and multi-lateral free trade agreements with key customers, while ensuring trade is based on rules and sound science. Our Government also introduced in Parliament and passed Bill C-30, the *Fair Rail for Grain Farmers Act* during the spring. New regulations to the federal government's new grain transportation legislation came into effect on August 1, 2014. This legislation will ensure an efficient logistics system that gets our world-class agricultural products to our customers around the world.

As always, I know I can rely on the continuing collaborative efforts of my entire Portfolio team to support me in tackling the agricultural sector's challenges, while helping the sector to capitalize on its tremendous potential for growth and future prosperity.

Honourable Gerry Ritz, P.C., M.P.,
Minister of Agriculture and Agri-Food

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: Agriculture and Agri-Food Canada

Institutional Head: Andrea Lyon, Deputy Minister

Ministerial Portfolio: Agriculture and Agri-Food

Enabling Instruments: *Department of Agriculture and Agri-Food Act*, R.S.C. 1985, c. A-9[i]

Year of Incorporation / Commencement: 1994

Organizational Context

Raison d'être

The Department of Agriculture and Agri-Food Canada was created in 1868 – one year after Confederation – because of the importance of agriculture to the economic, social and cultural development of Canada. Today, the Department helps ensure the agriculture, agri-food and agri-based products industries can compete in domestic and international markets, deriving economic returns to the sector and the Canadian economy as a whole. Through its work, the Department strives to help the sector maximize its long-term profitability and competitiveness, while respecting the environment and ensuring the safety and security of Canada's food supply.

Our Vision

Driving innovation and ingenuity to build a world leading agricultural and food economy for the benefit of all Canadians.

Our Mission

Agriculture and Agri-Food Canada provides leadership in the growth and development of a competitive, innovative and sustainable Canadian agriculture and agri-food sector.

Responsibilities

Agriculture and Agri-Food Canada provides information, research and technology, and policies and programs to help Canada's agriculture, agri-food and agri-based products sector compete in markets at home and abroad, manage risk and embrace innovation. The activities of the Department extend from the farmer to the consumer, from the farm to global markets, and through all phases of sustainably producing, processing and marketing of agriculture and agri-food products. In this regard, and in recognition that agriculture is a shared jurisdiction, Agriculture and Agri-Food Canada works closely with provincial and territorial governments.

Agriculture and Agri-Food Canada's mandate is based upon the *Department of Agriculture and Agri-Food Act*. The Minister is also responsible for the administration of several other Acts[ii].

The Department is responsible for ensuring collaboration among the organizations within the Agriculture and Agri-Food Portfolio; this means coherent policy and program development and effective cooperation in meeting challenges on cross-portfolio issues. The portfolio organizations[iii] consist of: the Canadian Dairy Commission; the Canadian Grain Commission; Farm Credit Canada; Canada Agricultural Review Tribunal; and the Farm Products Council of Canada. Agriculture and Agri-Food Canada also includes the Canadian Pari-Mutuel Agency, a special operating agency that regulates and supervises pari-mutuel betting on horse racing at racetracks across Canada. On October 9, 2013, the Government of Canada announced that the Canadian Food Inspection Agency would join Health Canada and the Public Health Agency of Canada in reporting to the Minister of Health. The Minister of Agriculture and Agri-Food

Canada continues to be responsible for non-food safety agricultural activities, including economic and trade issues, animal health and plant protection.

Strategic Outcomes and Program Alignment Architecture

1. **Strategic Outcome:** An environmentally sustainable agriculture, agri-food and agri-based products sector

    1.1 **Program:** Environmental Knowledge, Technology, Information, and Measurement
        1.1.1 **Sub-Program:** Agri-Environmental Science
        1.1.2 **Sub-Program:** Agri-Environmental Applications and Measurement
    1.2 **Program:** On-Farm Action
        1.2.1 **Sub-Program:** Technical Information Transfer
            1.2.1.1 **Sub-Sub-Program:** Community Pastures
            1.2.1.2 **Sub-Sub-Program:** Water Infrastructure
            1.2.1.3 **Sub-Sub-Program:** Agricultural Greenhouse Gases
        1.2.2 **Sub-Program:** AgriFlexibility – Environmental Action
        1.2.3 **Sub-Program:** Cost-shared Environmental Risk Assessment and Implementation

2. **Strategic Outcome:** A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk

    2.1 **Program:** Business Risk Management
        2.1.1 **Sub-Program:** AgriStability
        2.1.2 **Sub-Program:** AgriInvest
        2.1.3 **Sub-Program:** AgriRecovery
        2.1.4 **Sub-Program:** AgriInsurance
        2.1.5 **Sub-Program:** *Canadian Agricultural Loans Act*
        2.1.6 **Sub-Program:** *Agricultural Marketing Programs Act*
        2.1.7 **Sub-Program:** Hog Industry Loan Loss Reserve
        2.1.8 **Sub-Program:** Hog Farm Transition
        2.1.9 **Sub-Program:** AgriRisk
    2.2 **Program:** Food Safety and Biosecurity Risk Management Systems
        2.2.1 **Sub-Program:** Assurance Systems
        2.2.2 **Sub-Program:** Science Supporting a Competitive Sector
        2.2.3 **Sub-Program:** AgriFlexibility – Protection of the Food Supply
        2.2.4 **Sub-Program:** AgriFlexibility – Livestock Auction Traceability
        2.2.5 **Sub-Program:** Cost-shared Assurance Programming
    2.3 **Program:** Trade and Market Development
        2.3.1 **Sub-Program:** Trade Negotiations and Market Access
        2.3.2 **Sub-Program:** Market Growth
            2.3.2.1 **Sub-Sub-Program:** Market Development
            2.3.2.2 **Sub-Sub-Program:** Market Information and Export Capacity Building
            2.3.2.3 **Sub-Sub-Program:** Canada Brand

2.3.3 Sub-Program: Sector Competitiveness
2.3.3.1 Sub-Sub-Program: Sector Development and Analysis
2.3.3.2 Sub-Sub-Program: International Pork Marketing
2.3.3.3 Sub-Sub-Program: Canadian Cattlemen's Association Legacy
2.3.3.4 Sub-Sub-Program: Value Chain Round Tables
2.3.3.5 Sub-Sub-Program: Canadian Wheat Board Transition Costs Program
2.3.4 Sub-Program: AgriFlexibility – Increased Market Demand
2.3.5 Sub-Program: AgriFlexibility – Canada Brand Advocacy
2.3.6 Sub-Program: Cost-shared Trade and Market Development
2.4 Program: Regulatory Efficiency Facilitation
2.4.1 Sub-Program: Pest Management – Pesticides Minor Use Program
2.4.2 Sub-Program: Pest Management – Pesticides Risk Reduction Program
2.4.3 Sub-Program: Facilitating Industry Adaptation to Regulatory Modernization
2.5 Program: Farm Products Council of Canada

3. Strategic Outcome: An innovative agriculture, agri-food and agri-based products sector

3.1 Program: Science, Innovation and Adoption
3.1.1 Sub-Program: Science Supporting Agricultural Innovation
3.1.2 Sub-Program: Canadian Agriculture Adaptation
3.1.3 Sub-Program: AgriFlexibility – Science Addressing Market Opportunities and Challenges
3.1.4 Sub-Program: AgriFlexibility – Agri-based Processing
3.1.5 Sub-Program: Research Accelerating Innovation
3.1.6 Sub-Program: Research, Development and Knowledge Transfer
3.1.7 Sub-Program: Enabling Commercialization and Adoption
3.1.8 Sub-Program: Cost-shared Innovation
3.2 Program: Agri-Business Development
3.2.1 Sub-Program: Farm Debt Mediation Service
3.2.2 Sub-Program: AgriFlexibility – Profitability Improvement
3.2.3 Sub-Program: Churchill Port Utilisation Program
3.2.4 Sub-Program: AgriCompetitiveness
3.2.5 Sub-Program: Cost-shared Adaptability and Industry Capacity
3.3 Program: Rural and Co-operatives Development
3.3.1 Sub-Program: Rural Development
3.3.2 Sub-Program: Co-operatives Development
3.4 Program: Canadian Pari-Mutuel Agency

4.1 Internal Services

Organizational Priorities

Priority	Type	Strategic Outcomes
Implement *Growing Forward 2*[iv] bilateral agreements and implement federal activities	New	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented sector that proactively manages risk Strategic Outcome 3 – An innovative sector

Summary of Progress

What progress has been made toward this priority?

- *Growing Forward 2*, the new agricultural and agri-food policy framework, represents the next phase of a longstanding, successful and collaborative relationship between governments and industry. Taking effect April 1, 2013, *Growing Forward 2* is helping the industry to become even more market-responsive, able to anticipate and adapt to changing circumstances, while contributing to the well-being of Canadians. In short, investments in innovation, competitiveness and market development initiatives are central to the framework to help producers meet the rising global demands for food and agri-based products.

- Agriculture and Agri-Food Canada focused on implementing and delivering the three harmonized, federal-only *Growing Forward 2* programs – AgriInnovation, AgriCompetitiveness and AgriMarketing – that took effect April 1, 2013 under the new agricultural and agri-food policy framework. Under AgriInnovation, the Department's investments began helping expand sector capacity to develop and commercialize new products and technologies. Under AgriCompetitiveness, investments are strengthening the sector's capability to be profitable by helping it to: adapt to rapidly changing and emerging global and domestic opportunities and issues; respond to market trends; and enhance business and entrepreneurial capacity. The AgriMarketing program is supporting industry success both at home and abroad by ensuring access to markets, facilitating industry-led activities aimed at developing international markets, food safety and traceability systems, and market attribute/quality standards, and providing information and tools to capitalize on market opportunities.

- The Department is also providing support for *Growing Forward 2* cost-shared programs that are delivered by provincial and territorial governments. Investments in these cost-shared strategic initiatives will support expansion of the sector and contribute to economic growth and market-based profitability.

Priority	Type	Strategic Outcome and Programs
Support the agriculture, agri-food and agri-based product sector, to be a domestic and globally competitive player	Ongoing	Strategic Outcome 2 – A competitive and market-oriented sector that proactively manages risk Program 2.1 Business Risk Management Program 2.3 Trade and Market Development

Summary of Progress

What progress has been made toward this priority?

- Agriculture and Agri-Food Canada, in close collaboration with the four western provinces, worked towards the launch of a new regional livestock price insurance product.

- The Department and its provincial and territorial counterparts continue to address commitments made under the *Growing Forward 2*[iv] multilateral framework agreement to review business risk management programming to ensure that the suite is continuing to meet producers' needs.
- Agriculture and Agri-Food Canada, in collaboration with the Canadian Food Inspection Agency and Foreign Affairs, Trade and Development Canada, and in consultation with industry, provinces and territories, continued to help resolve or advance Canadian trade issues and maintain, expand and re-open markets to Canadian commodities and products.
- An expanded Agriculture and Food Trade Commissioner Service assisted Canadian companies with technical and marketing support for agri-food and seafood products. The Service worked on market access issues, managed the overall bilateral relationship on agriculture, and promoted Canada as a partner in economic development.
- The Department helped Canada's food and agriculture sector compete in domestic and global markets by differentiating its products from those of competitors. This was achieved by using tools and promotional events to build awareness of the advantages and range of Canadian products to influence customers.
- Agriculture and Agri-Food Canada worked to help remove regulatory obstacles to innovation and promote regulatory cooperation and modernization.
- Agriculture and Agri-Food Canada, in collaboration with Transport Canada and the Canadian Transportation Agency, supported the implementation of the *Fair Rail for Grain Farmers Act*[v] and related regulations to bring stability to the grain sector while participants in the rail-based supply chain work together to bring greater capacity, predictability and accountability to the system.
- The Value Chain Roundtables and other fora helped the Department identify and implement strategic industry and government actions to improve the competitiveness of the sector.
- The Department led the agricultural component of bilateral and regional free trade negotiations with, most notably, the European Union, Korea, the Trans-Pacific Partnership and other priority markets (for example, Japan), as well as engaged at the World Trade Organization to advance Canada's interests.
- Agriculture and Agri-Food Canada led efforts to develop an international approach, as well as a domestic policy, for managing low-level presence of genetically modified crops[vi].
- The AgriCompetitiveness Program is working to strengthen the sector's competitiveness by supporting youth, young and established farmers, and the development of farm safety initiatives, business skills, and individual and industry leadership.
- Through the AgriMarketing Program, the Department is helping industry to enhance competitiveness through support for: long-term market development strategies; activities to promote the export of Canadian agricultural products; and assurance systems that enable industry to proactively manage risks and make credible and verifiable claims regarding its products.

Priority	Type	Strategic Outcomes and Program
Support activities that advance knowledge creation and transfer, improve products, processes or practices and increase their adoption and commercialization to add value to farms, firms or the sector and support sustainable development	Ongoing	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented sector that proactively manages risk Strategic Outcome 3 – An innovative sector Activities related to knowledge creation and transfer contribute to achieving Agriculture and Agri-Food Canada's three Strategic Outcomes, whereas adoption and commercialization contribute mostly to Program 3.1 Science, Innovation and Adoption

Summary of Progress

What progress has been made toward this priority?

- Research, development and innovation are key drivers of sector competitiveness and profitability. Under *Growing Forward 2*[iv], there is increased focus on knowledge creation and transfer, partnerships with industry, and private sector investment in Canadian research and development.
- Agriculture and Agri-Food Canada articulated a long-term direction for its science activities; this is helping to inform department-led research programs and industry-led research under the *Growing Forward 2* AgriInnovation program.
- Through the AgriInnovation program, the Department is supporting industry in the adoption and commercialization of new processes, products and technologies, and in sustainable activities.

Priority	Type	Strategic Outcomes
Continue transformation of programs, services and operations in a period of restraint and renew the workforce to meet the challenges of the future	Ongoing	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented sector that proactively manages risk Strategic Outcome 3 – An innovative sector

Summary of Progress

What progress has been made toward this priority?

- Agriculture and Agri-Food Canada improved program access and service delivery to clients by simplifying the non-Business Risk Management suite, reducing administrative burden, and clarifying performance and financial requirements for reporting. With simplified, easy-to-complete forms, and standardized processes across programs, clients were assured an easier and more consistent experience.
- The emphasis on efficiency and rationalization of programs and services reflected the importance of ensuring that employees are engaged and committed to their work, have the right skills and competencies to achieve objectives, and can operate in a respectful and ethical workplace. To address this, the Department continued to implement talent management and leadership development initiatives, act on the Public Service Employee Survey Action Plan,

support employees in transition through training and counseling, and underscore the importance of a respectful workplace by engaging staff in focussed discussions regarding its Values and Ethics Code.

Risk Analysis

Agriculture and Agri-Food Canada continues to apply a comprehensive approach to actively identify, assess and respond to risks and opportunities at the strategic, operational, program, and project levels.

Through the 2013–14 Corporate Risk Profile, and as reported in the *2013–14 Report on Plans and Priorities*[vii], the Department identified six corporate risks and one corporate opportunity which could have impacted the achievement of its strategic outcomes, plans and priorities. The following table provides information on these corporate risks and opportunity that the Department effectively monitored through the period, and summarizes the status of key response strategies.

Key Risks

2013–14 Corporate Risks and Opportunities	Key Response Strategies	Link to Program Alignment Architecture
Workforce Risk: Agriculture and Agri-Food Canada may not have the skilled and engaged workforce necessary to achieve desired results.	Leadership and management through an integrated business and human resources plan. Ongoing implementation of employee development and knowledge transfer initiatives (for example, Executive feeder group talent management, Management and Leadership Development Program, National Mentoring Program, succession planning, *et cetera*). **Achievements:** During a period of substantial organizational change, including fiscal restraint and workforce reductions, measurable progress was made against many of the risk control measures. Specific achievements include the launch of the first *Integrated Business and Human Resources Plan* for 2013–14 and the early success of the Management Leadership Development Program, which is helping to ensure the next generation of managers are appropriately equipped to assume leadership positions in the organization.	Strategic Outcome 1– An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented agriculture sector that proactively manages risk Strategic Outcome 3 – An innovative sector All Programs

Infrastructure Risk: Agriculture and Agri-Food Canada's aging infrastructure may hinder the Department's ability to maintain its infrastructure and assets at an adequate level to ensure the delivery of core services and programs, while having the ability to adequately invest in new/updated infrastructure to support new departmental initiatives.	Continued oversight of the Department's infrastructure through its Investment Plan to support ongoing operations and priorities. Ongoing rejuvenation of a dam safety management system. **Achievements:** Agriculture and Agri-Food Canada continued to successfully manage its infrastructure and safety of its water-control structures (dams) through its Investment Plan and related governance. Response strategies were fully implemented including a risk-based portfolio-management approach.	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented agriculture sector that proactively manages risk Strategic Outcome 3 – An innovative sector All Programs
Information Management and Technology Risk: The increasing complexity of both the information management and technology service delivery environments may impact Agriculture and Agri-Food Canada's program and service delivery capacity and security posture.	Enhanced information management and technology governance supported by an ongoing communications program. Continued implementation of modern tools for internal and external collaboration. Implementation of formal information technology security risk management practices with special focus on managing classified information. Strengthened partnership arrangements for efficient service delivery. **Achievements:** Progress was made towards addressing the information management and information technology-related risk. Collaboration tools to help support employees in the sharing of knowledge and business information were introduced. In addition, consultations continued with Shared Services Canada to enhance collaboration with the Department's partners. Departmental and branch working groups were initiated to implement improved management and record keeping practices, for information of business value, through increased communications and information management guidance.	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented agriculture sector that proactively manages risk Strategic Outcome 3 – An innovative sector All Programs

	An information management and information technology security assessment and authorization framework was incorporated into the information management and information technology project management governance process. The Department supported Government of Canada enterprise transformation initiatives, such as preparing the Department for the Shared Services Canada-led migration to the new Government of Canada email system.	
Trade Opportunity: There is an opportunity to strengthen existing trade relationships and, in support of Canada's trade agenda, advance agriculture issues within the free trade negotiations under way in order to fulfil the Government's broader economic objectives.	Continued implementation and monitoring of market access activities. Collaboration with provincial and territorial governments and with industry to share market intelligence and discuss trade-related issues in order to re-open, maintain and expand markets for Canadian agricultural products. **Achievements:** The Department's trade agenda has encompassed the World Trade Organization and bilateral and regional trade negotiations. In 2013–14, the Government of Canada successfully concluded free trade negotiations with Korea and also reached an agreement-in-principle on a trade agreement with the European Union. Free trade negotiations with the Trans Pacific Partnership, Japan and India, amongst others, are ongoing. The Department will continue to represent Canadian interests (including supply management) at the negotiating tables. In addition, the Department sought to increase predictability for importers and exporters, and minimize the potential for trade disruptions, due to non-tariff (technical) barriers to trade. Actions have included working with industry to address issues such as maximum residue limits and low-level presence of genetically modified organisms. The Department has ensured the effective and consistent implementation of World Trade Organization Agreements, including dispute settlement mechanisms to maintain export opportunities for Canadian agriculture.	Strategic Outcome 2 – A competitive and market-oriented sector that proactively manages risk Program 2.1 Business Risk Management Program 2.2 Food Safety and Biosecurity Risk Management Systems Program 2.3 Trade and Market Development Program 2.4 Regulatory Efficiency Facilitation
Catastrophic Crisis Risk: Agriculture and Agri-Food Canada may not have sufficient capacity to respond to catastrophic crises, including	Continued input, as required, into: Emergency Management and Governance Procedures; Industry Emergency Preparedness Activities (for emergency situations such as floods); Preparation for Animal Disease Outbreaks (such as the Livestock Market Interruption Strategy); and Emergency Preparedness Activities in support of the agriculture and agri-food sector.	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented agriculture sector that proactively manages risk

those related to natural and accidental hazards (for example, health, climatic events, *et cetera*) which may affect the achievement of objectives and/or potentially present severe consequences to the agriculture, agri-based and agri-food sector and/or to Canadians at large.	**Achievements:** While Agriculture and Agri-Food Canada has programming and policies in place to respond to catastrophic losses affecting the sector, there is always a need to continue to prepare for emergencies through various measures, both in Department-specific activities as well as broad multi-jurisdictional or multi-agency activities. In 2013–14, the Department continued to contribute to activities led by Public Safety Canada to enhance capacity to manage a catastrophic crisis. The Department also continued to work with the Canadian Food Inspection Agency, provinces and industry to develop the Livestock Market Interruption Strategy, a strategy that will assist partners in managing the production and marketing implications of a large scale market interruption. Agriculture and Agri-Food Canada has also initiated work aimed at increasing the Department and its key partners' coordination and understanding of roles and responsibilities during a large-scale emergency event affecting the agriculture sector. Moreover, the Department invested in online training to all staff on emergency management and business continuity, and on the National Emergency Operations Centre. Key staff also received training on how to link with the Government Operations Centre and other departmental operations centres during an emergency.	Strategic Outcome 3 – An innovative sector All Programs
Physical Collections Risk: Agriculture and Agri-Food Canada's national collections of biological materials may be damaged or destroyed, impairing specific Agriculture and Agri-Food Canada research, having adverse trade implications, and/or impacting our international obligations.	Protection of Agriculture and Agri-Food Canada's physical national collections of biological materials from loss or damage. Plans include security measures, prioritization and digitization of specimens, seed storage, and germplasm conservation. **Achievements:** Agriculture and Agri-Food Canada has made good progress in each area of control, including additional digitization of the collections. The use of high-resolution imaging permits the digital transfer of images rather than plant specimens for loan requests; this avoids potential damage through shipping and handling of the specimens.	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented agriculture sector that proactively manages risk Strategic Outcome 3 – An innovative sector All Programs

Program Implementation Risk: *Growing Forward 2* cost-shared program implementation may be delayed, impacting program availability to the sector.	Work with provinces and territories to ratify *Growing Forward 2* bilateral implementation agreements in a timely fashion. **Achievements:** The Department successfully implemented *Growing Forward 2*. Bilateral agreements have been signed, enabling provinces and territories to implement cost-shared strategic initiatives under the new framework.	Strategic Outcome 1 – An environmentally sustainable sector Strategic Outcome 2 – A competitive and market-oriented agriculture sector that proactively manages risk Strategic Outcome 3 – An innovative sector All Programs

The Canadian agriculture and agri-food industry continued to play an important role in national and provincial economies, making a significant contribution to the Canadian Gross Domestic Product. In 2013, the agriculture and agri-food sector generated $107 billion, accounting for 6.7% of Canada's gross domestic product, and contributed to one in eight jobs in Canada, employing 2.2 million people (Source: Statistics Canada and Agriculture and Agri-Food Canada).

World prices for many agricultural commodities remained high in 2013–14. However, growth was tempered somewhat by the European Union's debt crisis and fiscal austerity and continued uncertainty regarding the United States fiscal policy, even though the United States economy showed signs of strengthening.

In this context, export opportunities were still critical for the growth of the Canadian agriculture and agri-food sector. The Government of Canada, in support of the sector, undertook an ambitious trade expansion plan, that included negotiating free-trade agreements with key markets and deepening and strengthening Canada's trading relationships through trade missions and agricultural cooperation.

Changing consumer and societal demands continued to influence prospects for the sector. Canada's agriculture and food industry responded with high-quality food products delivered to consumers around the world. In addition to more variety and convenience, and environmentally friendly and healthier food choices, consumers demanded food that addresses their values, such as organic products, accompanied by proper assurances of safety and quality, at reasonable prices. Retailers and processors responded by differentiating their products using private standards and assurances of food safety, quality and sustainability.

Under *Growing Forward 2*[iv], federal, provincial and territorial governments agreed to rebalance risk sharing between governments and producers. The policy focus shifted support away from reactive income support towards proactive strategic initiatives that could help the sector adapt, maintain and expand its productive capacity, fostering a more innovative, competitive and profitable sector, leading to jobs and growth for Canadians over the long term. However, federal, provincial and territorial governments agreed to continue delivering a complete and effective

suite of business risk management programs to ensure farmers are protected against severe market volatility and disasters.

Business risk management programming under *Growing Forward 2* is based on the previous suite of programs available under *Growing Forward* to help reduce producers' income losses as a result of factors beyond their control. In addition, under *Growing Forward 2*, new support is provided to help develop and implement new private-sector and market-based risk management tools. As well, a continued focus on innovation, including knowledge creation, transfer and adoption, remained important, as new technological developments helped further transform the sector and contribute to productivity growth and the diversity of agri-based products available to consumers.

A positive regulatory and business environment, new collaborative arrangements and partnerships, and investments in infrastructure and human capital supported the sector in positioning itself well for the future. Moreover, there is continued support to industry to help identify and seize new opportunities through long-term market development strategies, as well as support for assurance systems that enable industry to proactively manage risks and make credible and verifiable product claims. Lastly, there is support for youth, young and established farmers, farm-safety initiatives, and business-skills development (Program 3.2 Agri-Business Development).

The *Growing Forward 2* policy framework, implemented in April of 2013, has begun helping agricultural stakeholders capitalize on emerging opportunities and leading-edge scientific advances by promoting innovation, market access, competitiveness, adaptability, and sustainability.

Agriculture and Agri-Food Canada continued to deliver its policies and programs under a sustained environment of frugality and restraint, like all federal government departments. The Department continued to play its part to review all of its operations and programming to identify efficiencies and realign to new fiscal realities.

Actual Expenditures

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	Difference (actual minus planned)
2,191,575,219	2,450,527,486	2,556,585,385	2,386,898,330	(63,629,156)

The variance between Main Estimates and Planned Spending is due to Planned Spending reflecting amounts for programming for which approval was received between December 2012 and February 2013. Total Authorities reflect 2013–14 Main Estimates plus a net total increase of $365.0 million comprising Supplementary Estimates and allotment transfers received during 2013–14, as well as adjustments to statutory amounts to equal Actual Spending, and internal adjustments and transfers, as reported in the 2013–14 Public Accounts. Actual Spending is less than Total Authorities, as well as Planned Spending, due to several factors, including reduced demand in some areas, as well as timing of implementation for multi-year projects under *Growing Forward 2*, as it is the first year of the new framework. Some of the unspent voted funding is expected to be carried forward.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual [1]	2013–14 Difference [2] (actual minus planned)
5,721	5,076	(645)

[1] Full-Time Equivalents – reflect only those Full-Time Equivalents funded through the Department's appropriated resources. In addition to the actual Full-Time Equivalents of 5,076 there were nine Full-Time Equivalents employed by Agriculture and Agri-Food Canada for research funded through collaborative agreements with industry partners and 12 Full-Time Equivalents funded from other government departments. Also, an additional 468 Full-Time Equivalents were employed as students.

[2] Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not fully reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Budgetary Performance Summary for Strategic Outcomes and Programs (dollars)

Strategic Outcome 1: An environmentally sustainable agriculture, agri-food and agri-based products sector

	2013–14 [1] Main Estimates	2013–14 [2] Planned Spending	2014–15 [3] Planned Spending	2015–16 [3] Planned Spending	2013–14 [4] Total Authorities Available for Use	2013–14 [5] Actual Spending (authorities used)	2012–13 [5] Actual Spending (authorities used)	2011–12 [5] Actual Spending (authorities used)
Program 1.1 Environmental Knowledge, Technology, Information, and Measurement	34,939,444	34,939,444	*	*	65,680,780	65,346,123	82,929,006	87,407,541
Program 1.2 On-Farm Action	28,669,419	54,404,419	*	*	75,838,981	70,767,364	92,964,460	107,027,008
Strategic Outcome 1 Subtotal	**63,608,863**	**89,343,863**	*	*	**141,519,761**	**136,113,487**	**175,893,466**	**194,434,549**

Strategic Outcome 2: A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk

	2013–14 [1] Main Estimates	2013–14 [2] Planned Spending	2014–15 [3] Planned Spending	2015–16 [3] Planned Spending	2013–14 [4] Total Authorities Available for Use	2013–14 [5] Actual Spending (authorities used)	2012–13 [5] Actual Spending (authorities used)	2011–12 [5] Actual Spending (authorities used)
Program 2.1 Business Risk Management	1,291,031,455	1,331,519,823	1,297,306,348	1,301,356,347	1,295,485,113	1,280,762,636	1,420,001,333	1,412,029,046
Program 2.2 Food Safety and Biosecurity Risk Management Systems	64,378,297	90,113,297	*	*	119,962,679	90,347,576	92,378,239	87,639,411
Program 2.3 Trade and Market Development	155,414,937	181,149,937	*	*	193,068,635	135,561,420	264,232,140	97,976,671
Program 2.4 Regulatory Efficiency Facilitation	16,902,621	16,902,621	*	*	17,337,631	11,336,464	11,720,760	12,552,879
Program 2.5 Farm Products Council of Canada	2,659,276	2,659,276	2,483,404	2,483,404	3,526,875	2,869,840	2,998,099	3,063,149
Strategic Outcome 2 Subtotal	**1,530,386,586**	**1,622,344,954**	*	*	**1,629,380,933**	**1,520,877,936**	**1,791,330,571**	**1,613,261,156**

Strategic Outcome 3: An innovative agriculture, agri-food and agri-based products sector

	2013–14 [1] Main Estimates	2013–14 [2] Planned Spending	2014–15 [3] Planned Spending	2015–16 [3] Planned Spending	2013–14 [4] Total Authorities Available for Use	2013–14 [5] Actual Spending (authorities used)	2012–13 [5] Actual Spending (authorities used)	2011–12 [5] Actual Spending (authorities used)
Program 3.1 Science, Innovation and Adoption	300,084,553	325,819,553	*	*	477,329,589	442,238,382	303,174,048	265,992,310
Program 3.2 Agri-Business Development	14,383,831	117,323,831	*	*	66,175,058	54,672,561	69,543,719	116,267,595
Program 3.3 Rural and Co-operatives Development	4,063,511	4,063,511	*	*	4,126,694	2,577,149	15,477,477	20,288,849
Program 3.4 Canadian Pari-Mutuel Agency	(421,000)	(421,000)	34,000	294,000	5,315,279	(2,158,401)	(1,240,186)	(253,649)
Strategic Outcome 3 Subtotal	**318,110,895**	**446,785,895**	*	*	**552,946,620**	**497,329,691**	**386,955,058**	**402,295,105**

Internal Services

	2013–14 [1] Main Estimates	2013–14 [2] Planned Spending	2014–15 [3] Planned Spending	2015–16 [3] Planned Spending	2013–14 [4] Total Authorities Available for Use	2013–14 [5] Actual Spending (authorities used)	2012–13 [5] Actual Spending (authorities used)	2011–12 [5] Actual Spending (authorities used)
Internal Services Subtotal	279,468,875	292,052,774	150,473,375	148,474,244	232,738,071	232,577,216	327,379,980	347,663,815

Total

Strategic Outcomes, Programs and Internal Services	2013–14 [1] Main Estimates	2013–14 [2] Planned Spending	2014–15 [3] Planned Spending	2015–16 [3] Planned Spending	2013–14 [4] Total Authorities Available for Use	2013–14 [5] Actual Spending (authorities used)	2012–13 [5] Actual Spending (authorities used)	2011–12 [5] Actual Spending (authorities used)
Total	2,191,575,219	2,450,527,486	2,253,196,812	2,244,765,357	2,556,585,385	2,386,898,330	2,681,559,075	2,557,654,625

For an explanation of the variances for the total Department spending, please refer to the Departmental Spending Trend subsection of this report.

*Refer to the 2014–15 Report on Plans and Priorities for 2014–15 and 2015–16 planned spending by program based on the new 2014–15 Program Alignment Architecture.

[1] Main Estimates figures are as reported in the 2013–14 Main Estimates.

[2] Planned Spending figures are as reported in the 2013–14 Report on Plans and Priorities. Planned Spending reflects funds already brought into the Department's reference levels as well as amounts to be authorized through the Estimates process as presented in the Annual Reference Level Update. It also includes amounts for programming for which approval was received February 2013.

[3] Due to significant changes in Agriculture and Agri-Food Canada's Program Alignment Architecture from 2013–14 to 2014–15, Planned Spending amounts for 2014–15 and 2015–16 have not been provided according to the old Program Alignment Architecture. The total amount for 2014–15 and 2015–16 represents the total planned spending as reflected in the 2014–15 Report on Plans and Priorities.

[4] Total Authorities reflect 2013–14 Main Estimates plus a net total increase of $365.0 million comprised of Supplementary Estimates and allotment transfers received during 2013–14, as well as adjustments to statutory amounts to equal Actual Spending, and internal adjustments and transfers, as reported in the 2013–14 Public Accounts.

[5] Actual Spending figures represent the actual expenditures incurred during the respective fiscal year, as reported in that year's Public Accounts. In certain cases, where authorized amounts are unspent, they can be reprofiled for use in future years.

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2013–14 Actual Spending with Whole-of-Government Framework[viii] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2013–14 Actual Spending
1 An environmentally sustainable agriculture, agri-food and agri-based products sector	1.1 Environmental Knowledge, Technology, Information, and Measurement	Economic Affairs	A clean and healthy environment	65,346,123
	1.2 On-Farm Action	Economic Affairs	A clean and healthy environment	70,767,364
2 A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk	2.1 Business Risk Management	Economic Affairs	Strong economic growth	1,280,762,636
	2.2 Food Safety and Biosecurity Risk Management Systems	Economic Affairs	Strong economic growth	90,347,576
	2.3 Trade and Market Development	Economic Affairs	Strong economic growth	135,561,420
	2.4 Regulatory Efficiency Facilitation	Economic Affairs	Strong economic growth	11,336,464
	2.5 Farm Products Council of Canada	Economic Affairs	Strong economic growth	2,869,840
3 An innovative agriculture, agri-food and agri-based products sector	3.1 Science, Innovation and Adoption	Economic Affairs	An innovative and knowledge-based economy	442,238,382
	3.2 Agri-Business Development	Economic Affairs	An innovative and knowledge-based economy	54,672,561
	3.3 Rural and Co-operatives Development	Economic Affairs	An innovative and knowledge-based economy	2,577,149
	3.4 Canadian Pari-Mutuel Agency	Economic Affairs	A fair and secure marketplace	(2,158,401)

Total Planned Spending by Spending Area (dollars)

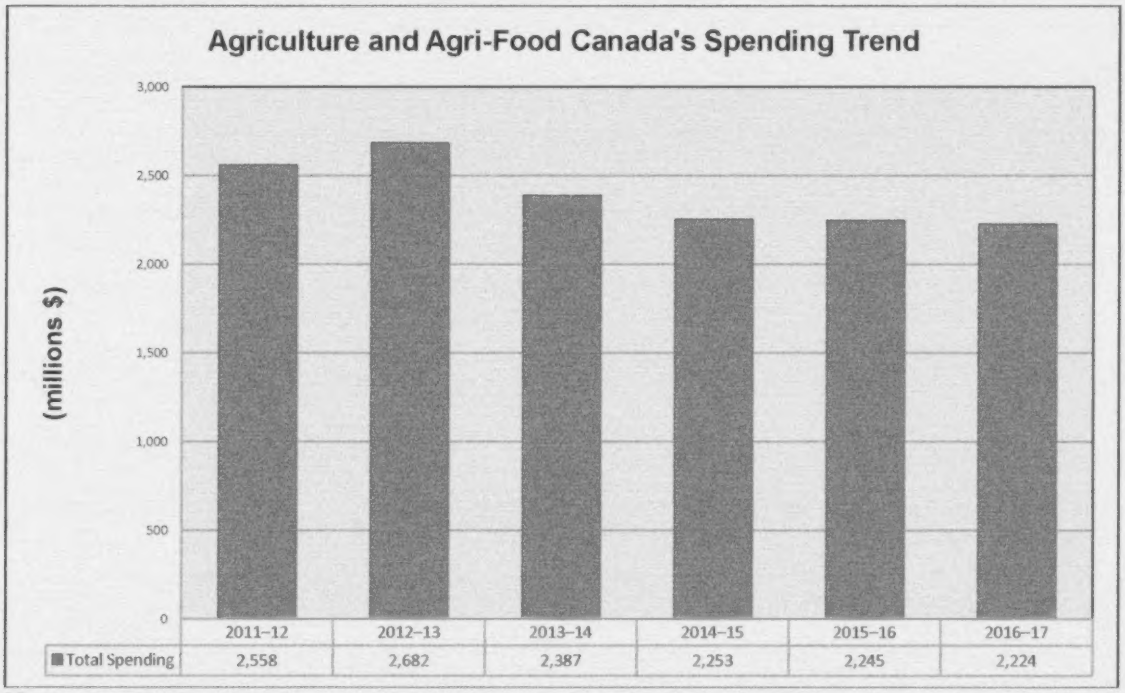
Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	2,158,474,712	2,154,321,114
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0

Departmental Spending Trend

Agriculture and Agri-Food Canada spending varies from year to year in response to the circumstances in the agriculture, agri-food and agri-based products sector in any given period. Departmental programming within Agriculture and Agri-Food Canada is in direct response to industry and economic factors which necessitate support to this vital part of the economy. Much of this programming is statutory (for example, programs approved by Parliament through

enabling legislation) and the associated payments fluctuate according to the demands and requirements of the sector.

The figure below illustrates Agriculture and Agri-Food Canada's spending trend from 2011–12 to 2016–17.



Notes:

The 2011–12, 2012–13 and 2013–14 amounts represent actual expenditures incurred during the 2011–12, 2012–13 and 2013–14 fiscal years as reported in the Public Accounts, respectively.

The 2014–15, 2015–16, and 2016–17 amounts represent Planned Spending amounts as reported in the 2014–15 Report on Plans and Priorities.

Over the period 2011–12 to 2016–17, Actual and Planned Spending varies from $2.7 billion in 2012–13 to $2.2 billion currently planned for 2016–17. This variability is the result of several factors outlined below. Agriculture and Agri-Food Canada's programs and initiatives vary from year to year in response to changes affecting the agriculture, agri-food and agri-based products sector.

Spending in 2011–12 reflects disaster assistance provided to producers affected by excess moisture conditions in the Western provinces and Quebec, and assistance provided to livestock producers dealing with the impacts of severe forage shortages as a result of drought. In 2012–13, transitional support was provided to the Canadian Wheat Board as it became a voluntary grain marketing organization, giving Western Canadian farmers freedom to market their wheat and barley on the open market.

In 2013–14, the new *Growing Forward 2*[iv] policy framework was introduced as the previous five-year *Growing Forward* policy framework expired. *Growing Forward 2* reflects a transformative shift in the delivery of Business Risk Management programming, moving away from reactive income support towards programming that facilitates market-based profitability and economic growth. This, in combination with higher commodity prices driven by increasing grain prices has resulted in an overall reduction in the requirement for statutory grants and contributions under Business Risk Management programming in 2013–14. Business Risk Management programming will continue to provide effective support that will ensure producers are protected against severe market volatility and disasters.

The decrease in Actual Spending in 2013–14 is largely attributable to planned spending reductions for the Canadian Wheat Board Transition Costs program.

In addition, the decrease in Actual Spending in 2013–14 and Planned Spending in 2014–15, and beyond, is attributable to the recent restructuring undertaken by the Government. The reduced Planned Spending also reflects a decrease related to an updated forecast for the *Agricultural Marketing Programs Act*[ix], a decrease related to the Canadian Wheat Board Transition Costs program and amounts transferred to Public Works and Government Services Canada for the Consolidation of Pay Services Project.

Estimates by Vote

For information on the Agriculture and Agri-Food Canada's organizational Votes and statutory expenditures, consult the *Public Accounts of Canada 2014* on the Public Works and Government Services Canada website[x].

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome 1: An environmentally sustainable agriculture, agri-food and agri-based products sector

Agriculture and Agri-Food Canada supports an economically and environmentally sustainable agriculture, agri-food and agri-based products sector that ensures proper management of available natural resources and adaptability to changing environmental conditions. Addressing key environmental challenges in Canada including agriculture's impact on water quality and water use, adaptation to the impact of climate change, mitigation of agriculture's greenhouse gas emissions and the exploration of new economic opportunities contribute to a cleaner environment and healthier living conditions for the Canadian public, while enabling the sector to become more profitable.

Program 1.1: Environmental Knowledge, Technology, Information, and Measurement

Description: Agriculture and Agri-Food Canada is focused on supporting the sector through initiatives that enable it to use a more systematic management approach to making decisions with respect to environmental risks, and help identify suitable corrective actions. Agriculture and Agri-Food Canada is conducting research to improve scientific understanding of agriculture's interactions with the environment on the key environmental challenges facing Canada and its regions; developing sustainable agricultural practices and validating environmental and economic performance at the farm and landscape levels; and developing, enhancing and using agri-environmental indicators, greenhouse gas accounting systems and economic indicators to assess the sector's environmental and economic sustainability. This program provides the platform for innovation and discovery of technologies and strategies to improve the agri-environmental performance of the sector.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
34,939,444	34,939,444	65,680,780	65,346,123	30,406,679

Differences in financial resources are primarily due to a realignment among Programs and one-time amounts paid as a result of recent restructuring.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
614	411	(203)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the

targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Agriculture and agri-food sector makes decisions that incorporate sound environmental practices	Percentage of farms in Canada which have a formal Environmental Farm Plan Baseline in 2006 = 27% of 220,000 farms	39% by March 31, 2018	Information available to date shows that over 35% of farms indicated they had an Environmental Farm Plan (This 35% represents 50% of all farmland in Canada) This is based on the 2011 Farm Environmental Management Survey results. Next Survey results will be available in 2017

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada played a lead role in contributing to environmental benefits and reducing environmental risks by supporting sector decision-making and developing sustainable products and practices. Research, development and technology and beneficial management practices focused on water use, water quality, air quality, and biodiversity, as well as adapting to climate change and mitigating greenhouse gases.

The Department also helped explore economic opportunities related to sound environmental stewardship, working in this regard with provincial and industry partners to focus agri-environmental programs on innovation, adoption of beneficial management practices, and sustainable economic activity.

Sub-Program 1.1.1: Agri-Environmental Science

Description: Agriculture and Agri-Food Canada conducts basic and applied research to provide the scientific knowledge essential to characterize and quantify the effects of agricultural production on soil, water, air and biodiversity. This knowledge is essential to develop beneficial management practices that will improve the agri-environmental performance of agriculture, and to advise policy makers, land resource specialists, extension specialists and producers on how to improve agricultural practices and enhance the sustainable management of agricultural resources.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
14,203,022	27,188,263	12,985,241

Difference in financial resources is primarily due to a realignment among Programs and one-time amounts paid as a result of recent restructuring.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
303	203	(100)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased understanding by the science community of the interactions and impact of agricultural practices on the environment (soil, water, air and bioresources)	Number of Peer Reviewed Publications submitted, in preparation, or published for "Closed" Research Projects under this activity Baseline from 2011–2012 Branch Performance Report covering the period from 2008–12 = 47	60 new over the period April 1, 2013 to March 31, 2018	114 Peer Reviewed Publications have been submitted or published during the 2013–14 period

Performance Analysis and Lessons Learned

Scientific knowledge has been generated in the areas of conservation, characterization, biodiversity, bioresources, and sustainable production practices that are essential to improving agri-environmental performance, while also enhancing sector competitiveness.

Agriculture and Agri-Food Canada scientists are using a technique called Next Generation Sequencing of DNA to get a quick and inexpensive look at what is going on in the soil, including the diversity of microbes in agricultural fields. By determining which organisms are present in the soil and their abundance, millions and millions of pieces of genetic data are being generated about all the organisms in a soil sample. Computers are used to compare the data to genetic information about known organisms and point out unknowns. Next Generation Sequencing is a vast improvement over methods previously used to study soil microbial communities because an immense amount of information can be obtained rapidly, affordably and at a more detailed level, allowing even rarer organisms to be detected. Knowing more about soil microbial communities in healthy fields versus those infested with plant pathogens will open up new ways to control diseases, increase crop yields and reduce use of fertilizer and pesticides. The technique is

currently being used to compare the microbial community that decreases common scab, a disease that infects potato tubers causing unsightly brownish lesions and results in significant economic losses every year in Canada.

Sub-Program 1.1.2: Agri-Environmental Applications and Measurement

Description: The Department uses Agri-Environmental Applications to develop and adapt technologies for sustainable agricultural practices on farms and larger agricultural landscapes across Canada. This program uses knowledge and information to improve the agri-environmental decision-making capacity of farmers, while also employing measurement and analyses to inform efforts aimed at demonstrating the environmental impacts of sustainable agriculture practices.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
20,736,422	38,157,860	17,421,438

Difference in financial resources is primarily due to a realignment among Programs and one-time amounts paid as a result of recent restructuring.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
311	208	(103)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Producers and stakeholders have access to knowledge and the opportunity to develop expertise to support the sustainable use of agricultural land and water resources	Number of new or improved/adapted science-based products and/or practices made available to the Sector Baseline from 2011–12 Branch Performance Report covering the period from 2008–12 = 11	15 new over the period April 1, 2013 to March 31, 2018	34 new or improved/adapted science-based products and/or practices have been made available to the sector during the 2013–14 period

Performance Analysis and Lessons Learned

Work has been progressing ahead of schedule for this sub-program as evidenced by the number of products or practices developed to date. These outputs support sustainable use of agricultural land and water resources. An example of the work done in this area includes applied research

into production enhancements that would allow landowners to take action to conserve and protect wild pollinators. The goal is to provide guidance to landowners on what actions can be taken to conserve and protect wild pollinators through saving, creating and managing pollinator habitat. This work is critical as pollinating insects are an indispensable natural resource essential to the production of many fruits, vegetables and cereals.

Program 1.2: On-Farm Action

Description: Agriculture and Agri-Food Canada supports farmers through direct on-farm programming that identifies environmental risks and opportunities and promotes the continuous growth of the stewardship ethic within the agriculture and agri-food industry. Agriculture and Agri-Food Canada supports farmers through agri-environmental risk assessment and planning; providing expertise, information and incentives to increase the adoption of sustainable agriculture practices at the farm and landscape levels; investigating and developing new approaches that encourage and support the adoption of sustainable agriculture practices; and increasing the recognition of the value of sustainable agriculture practices. This program supports environmental stewardship and helps reduce the sector's overall impact on the environment. It contributes to a cleaner environment and healthier living conditions for Canadian people, and a more profitable agriculture sector.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
28,669,419	54,404,419	75,838,981	70,767,364	16,362,945

Differences in financial resources are primarily due to realignment among Programs and costs associated with the transfer of three federal Qu'Appelle Valley water control structures to the province of Saskatchewan.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
392	226	(166)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Improved agri-environmental risk assessment and risk mitigation by agricultural producers	Percentage of farms in Canada taking action on their Environmental Farm Plan Baseline established in 2006 based on the Farm Environmental Management Survey results	92% in total by March 31, 2014	95% of farms based on 2011 Farm Environmental Management Survey results

	indicating farms had implemented at least one best management practice = 90%		

Performance Analysis and Lessons Learned

The high proportion of farms with an environmental plan that have indicated action is being taken to mitigate on-farm environmental risks (95%) confirms producers are taking action to mitigate on-farm environmental risks, reflecting their ongoing stewardship ethic. It also shows knowledge gained from the environmental farm plan process is valued by producers.

Agriculture and Agri-Food Canada and Statistics Canada are discussing redesigning the Farm Environmental Management Survey[xi] and incorporating it into a broader farm production and management survey. This survey would be conducted annually over a five-year period based on farm-type modules. The first update is planned for 2017–18.

Sub-Program 1.2.1: Technical Information Transfer

Description: Technical Information Transfer is interpreting and transferring technical information to farmers and others for actions that improve sustainability on agricultural lands. This technical assistance integrates practices for environmentally responsible agriculture with other on-farm actions and is coordinated with local land use planners, conservation authorities and others, and effectively communicates the benefits of changing practices.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
13,708,427	37,283,473	23,575,046

Difference in financial resources is primarily due to costs associated with the transfer of three federal Qu'Appelle Valley water control structures to the province of Saskatchewan.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
392	226	(166)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased awareness of technical assistance and information for the agriculture sector	Number of stakeholders accessing technical assistance through planned activities	2,000 (over the previous four-year period) by March 31, 2014	46,973 participants accessed information through planned Technical Transfer

	Baseline established in 2009 = zero (0)		events during the 2009 to 2011 period Note: Actual results are not available beyond this period as the sub-program has been incorporated into other innovation programs and participant data is no longer being recorded.

Performance Analysis and Lessons Learned

Technical assistance and information was transferred to stakeholders through a variety of venues and methods such as workshops, demonstrations, agricultural fairs, and field days. Topics vary from year to year but have included: canola agronomy, solar power irrigation technology, irrigated variety trials, vegetable production information sessions, Greenhouse Gas mitigation under irrigation, use of surface and subsurface drainage for irrigation, irrigation scheduling, and potato agronomy.

With the recent consolidation and streamlining at Agriculture and Agri-Food Canada, activities within the Technical Information Transfer sub-program were incorporated into other innovation-related activities under Program 3.1 of Strategic Outcome 3 to cover efforts of the entire agricultural research, development and technology transfer agenda. As a result, the performance indicator target was not updated and no further data was collected on this sub-program. The actual result shown in the table above represents data that was collected before the program activities were transferred.

Sub-Sub-Program 1.2.1.1: Community Pastures

Description: Community Pastures enhances the sustainability of prairie rangeland for agriculture through livestock production. This work includes managing 2.2 million acres of prairie rangeland, serving some 2,500 livestock producers and providing grazing for some 222,000 head of livestock; while also conserving the resources and providing essential habitat for some 45 species that are identified under the *Species at Risk Act*. In addition, Action Plan IV resources ($10 million over four years) are being used to improve the long-term health and productivity of the landscape by enhancing the carrying capacity, rangeland productivity and infrastructure of Agriculture and Agri-Food Canada's community pastures through additional brush control, water development and forage rejuvenation measures.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
2,928,365	3,185,162	256,797

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
352	187	(165)

There is a decrease in the Full-Time Equivalents as the Community Pastures program is in the process of winding down (by 2017–18).

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Environmentally responsible land use and practices for the management of a multi-use, productive, and bio-diverse rangeland	Range health rated as "good" or "excellent" for at least 85% of Community Pastures Program lands Baseline established in 2011–12 = 85% of Community Pastures Program lands rated as "good" or "excellent"	85% (over a two-year period) by March 31, 2014	More than 85% of Community Pastures program range health rated good or excellent

Performance Analysis and Lessons Learned

Range-management practices developed over eight decades of land management have established sustainable grazing levels for each community pasture. Livestock carrying capacities for each pasture are a product of the number of acres of forage, how much forage is produced and the optimal forage carry over into future years to mitigate drought. The 2012 and 2013 grazing seasons were average grazing years with total grazing days within the 10–year range (135 days per cow). Carrying capacities across the pastures were not exceeded, which translates to range health indicators at or above the baseline of 85%.

Following the Budget 2012 decision to wind down the Community Pastures program[xii] and divest the 85 pastures over a six-year period, federal management was ceased at 21 of 85 pastures in 2013–14. Ten pastures in each of Manitoba and Saskatchewan were divested. Pasture operations at the Canadian Forces Base Suffield in Alberta were also ceased.

Sub-Sub-Program 1.2.1.2: Water Infrastructure

Description: Water Infrastructure is the management and operation of federal owned water infrastructure in southern Saskatchewan. This activity ensures that the responsibilities for public safety and sound asset management are met, and ensure that water delivery obligations are fulfilled. A major component of the work includes developing and implementing changes in the management regime that enable Agriculture and Agri-Food Canada to ultimately divest this infrastructure.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
5,056,062	28,667,891	23,611,829

Actual Spending is greater than planned spending largely due to the costs associated with the transfer of three federal Qu'Appelle Valley water control structures to the province of Saskatchewan, namely dams at Craven, Valport and Crooked Lake.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
37	37	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Water storage infrastructure is operationally safe and downstream risks are kept as low as reasonably practical	Number of dam safety reviews conducted by external consultants for high/very high consequence dams which have been completed in compliance with the Canadian Dam Association's "Dam Safety Guidelines"	3 by March 31, 2014	2

Performance Analysis and Lessons Learned

To date, two dam safety reviews were conducted. One safety review, which had been scheduled for completion in spring 2014, began but was not completed by the end of this reporting period.

Sub-Sub-Program 1.2.1.3: Agricultural Greenhouse Gases

Description: The Agricultural Greenhouse Gases Program supports an international network, the Global Research Alliance, to coordinate and increase agricultural research on greenhouse gas mitigation and make new mitigation technologies and beneficial management practices available to farmers. The Department provides contribution funding to industry proponents for approved projects. The Global Research Alliance deepens and broadens existing networks of research in relation to greenhouse gas mitigation and builds new ones, enhances scientific and technology delivery capacities, and seeks to effect a fundamental change in the current relationship between food/agricultural production and greenhouse gases.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
5,724,000	5,430,420	(293,580)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
3	2	(1)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased knowledge by farmers about greenhouse gas mitigation beneficial management practices and technologies	Number of farmers with increased understanding of greenhouse gas mitigation beneficial management practices and technologies Baseline established in 2010 = zero (0) as the program is new	5,000 farmers use the knowledge in their farming operations by March 31, 2016	6,735 farmers have participated in the workshops since the beginning of the program

Performance Analysis and Lessons Learned

Since the beginning of the program, universities and research institutes have reported that more than 6,000 farmers participated in field days and workshops on new beneficial management practices and technologies to mitigate greenhouse gas emissions.

Agriculture and Agri-Food Canada began an evaluation of the Agricultural Greenhouse Gases Program[xiii], as part of its Five-Year Strategic Evaluation Plan (2013–14 to 2017–18). The evaluation is targeted for completion by November 2014.

Sub-Program 1.2.2: AgriFlexibility – Environmental Action

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

The Environmental Action component of AgriFlexibility seeks to help the agriculture and agri-food industry improve environmental sustainability, effluent management, eco-efficiency, reduce

greenhouse gas emissions and increase the use of renewable energy. While Agriculture and Agri-Food Canada's *Growing Forward* programming aims to increase the adoption of sustainable agricultural practices at farm levels, AgriFlexibility – Environmental Action helps improve environmental performance by developing new tools and methods for the industry.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
14,960,992	3,081,344	(11,879,648)

Difference in financial resources is largely due to a realignment among AgriFlexibility programs. In addition, Actual Spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under the following sub-programs: 2.3.4 AgriFlexibility – Increased Market Demand and 3.1.4 AgriFlexibility – Agri-based Processing.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Producers/partners/ industry implement actions to improve their environmental practices	Number of actions implemented by producers to improve their environmental practices Baseline established in 2009 = zero (0) as AgriFlexibility - Environmental Action is a new area of programming for the Department	265 over the period June 1, 2009 to March 31, 2014	229

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded as of March 31, 2014. There were four initiatives funded under the Environmental Action component of AgriFlexibility. All were cost-shared federal-provincial initiatives. In total, those four initiatives resulted in 229 actions implemented by producers to improve their environmental practices. The target was not met as a result of lower than anticipated uptake, due in part, to the fact that similar activities, such as environmental farm plans, were already taking place at the provincial level funded under *Growing Forward*.

Sub-Program 1.2.3: Cost-shared Environmental Risk Assessment and Implementation

Description: Federal/provincial/territorial programming provides a systematic approach to

farmers, to assess and respond to priority environmental risks. Environmental risks are assessed on farm and addressed by developing effective plans to mitigate the risks. The plans include the adoption of sustainable agriculture practices at farm and landscape levels. The practices are designed to minimize and mitigate impacts and risks to the environment by maintaining or improving the quality of soil, water, air, and biodiversity; ensure the long term health and sustainability of natural resources used for agricultural production, and support the long-term economic and environmental viability of the agriculture industry. Programming assists farmers in the implementation of key practices identified in the risk assessment plans.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
25,735,000	30,402,547	4,667,547

Difference in financial resources is largely due to a realignment among *Growing Forward 2* cost-shared programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
The sector is adopting best management practices to reduce agri-environmental risks on farm	Number of new and updated agri-environmental risk assessments developed Baseline from *Growing Forward* programming (2008–13) = 10,000	10,000 over the period of *Growing Forward 2* from 2013–14 to 2017–18	Provincial and territorial annual performance data to be provided in 2014–15
The sector is adopting best management practices to reduce agri-environmental risks on farm	Number of on-farm beneficial management practice projects completed Baseline from *Growing Forward* programming (2008–13) = 17,000	17,000 over the period of *Growing Forward 2* from 2013–14 to 2017–18	Provincial and territorial annual performance data to be provided in 2014–15

Performance Analysis and Lessons Learned

Under *Growing Forward 2*[iv] each province and territory has the flexibility to design and implement programming that is tailored to meet diverse regional needs. In 2013–14, provinces and territories implemented *Growing Forward 2* cost-shared environmental programming that includes funding to support environmental farm plans to identify environmental risks and risk-mitigation activities, and to implement proven environmental beneficial management practices, such as farmyard-runoff controls and erosion-control structures.

As this is the first year of the sub-program, no results are readily available. Provincial and territorial annual performance data for 2013–14 are expected to be available in 2014–15.

In July 2013, Agriculture and Agri-Food Canada completed its *Evaluation of the Cost-Shared Non-Business Risk Management Contribution Programming under Growing Forward*[xv]; the evaluation included programs administered by provinces and territories to support the agri-environment. The evaluation found that *Growing Forward* environmental programming helped increase the number of Canadian farms having environmental farm plans and implementing best management practices.

To improve the efficiency and effectiveness of the environmental programming, *Growing Forward 2* is moving towards targeting high-risk priority areas or issues.

Strategic Outcome 2: A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk

Canada's capacity to produce, process and distribute safe, healthy, high-quality and viable agriculture, agri-food and agri-based products is dependent on its ability to proactively manage and minimize risks and to expand domestic and global markets for the sector by meeting and exceeding consumer demands and expectations. Proactive risk management to ensure food safety, market development and responsiveness, and improved regulatory processes contribute directly to the economic stability and prosperity of Canadian farmers and provide greater security for the Canadian public regarding the sector.

Program 2.1: Business Risk Management

Description: Agriculture and Agri-Food Canada has a comprehensive suite of business risk management programs to better equip producers with the tools and capacity to manage business risks. This suite provides coverage for small income declines, margin-based support for larger income losses, and a disaster relief framework for rapid assistance to producers and production insurance to protect farmers against production losses due to uncontrollable natural hazards. In addition, assistance to producers through the provision of financial guarantees facilitates the marketing of producers' products when market conditions and prices may be more favourable.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
1,291,031,455	1,331,519,823	1,295,485,113	1,280,762,636	(50,757,187)

Differences in financial resources are largely due to the reduced requirement for Business Risk Management program funding as a result of industry conditions, strong commodity prices, low lending rates, and less need for disaster response initiatives.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
415	370	(45)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Producers' income losses are reduced	Current year producers' net market income plus business risk management payments compared to the previous five-year average net market income plus business risk management payments for the sector Result reported in the 2011–12 Departmental Performance Report for 2009 was 139%	85% by March 31, 2014	150%

Performance Analysis and Lessons Learned

Leading up to *Growing Forward 2*[iv], through industry consultations, the roles and responsibilities of risk management were discussed. Those discussions indicated a need for governments to continue to assist in cases of severe market volatility and disasters, while the focus should be on producers to manage normal risks.

Consequently, federal, provincial and territorial governments agreed to deliver a refined suite of business risk management programs under *Growing Forward 2*. Starting on April 1, 2013, changes to AgriStability[xvi] and AgriInvest[xvii] were implemented through coordinated efforts across all administrations, supported by awareness campaigns for producers.

Growing Forward 2 increased emphasis on insurance and alternative risk management approaches for producers. As part of *Growing Forward 2*, the Department launched the new AgriRisk Initiatives[xviii] program to support new risk management tools. One of the early successes was the launch of the Western Livestock Price Insurance Program. This pilot is an expansion to all Western provinces of a program, developed in Alberta, providing protection against unforeseen price declines to the livestock sector. In 2013–14, the Department finalized the necessary multilateral agreements to support an actuarially sound pilot, resulting in the Western Livestock Price Insurance Program's launch in spring 2014.

Agriculture and Agri-Food Canada also looked at the operations of the Advance Payments Program[xix], recognizing it as another risk management tool for producers. In 2013–14, administrative changes to the Advance Payments Program were introduced as amendments under the *Agricultural Marketing Programs Act*[ix] and included under Bill C-18, the *Agricultural Growth Act*[xx], which was introduced in the House of Commons on December 9, 2013.

The Department continues to monitor the performance of its programs by comparing sector revenue, including business risk management program payments, to the five-year average. With increased revenues from the market in 2011, sector revenue was 150% of the five-year average, far exceeding the target of 85%. The business risk data used to evaluate the actual results is based on years prior to the *Growing Forward 2* changes. This is due to the time it takes for producers to file taxes, for administrations to process files, and for the information to be collected.

Sub-Program 2.1.1: AgriStability

Description: The AgriStability program provides support when producers experience large margin declines. A producer may be able to receive an AgriStability payment when their current year program margin falls below a percentage of their historical reference margin. AgriStability is cost-shared 60:40 by federal and provincial/territorial governments.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
286,566,038	205,457,717	(81,108,321)

AgriStability is demand-driven, rather than a set allocation for each fiscal year. Although the administrative costs of the program remain relatively constant, the variance of the year-to-year grant and contribution payments is directly related to both participation and industry conditions. Actual Spending was lower than Planned Spending due to industry conditions strengthened by increased commodity prices.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
324	288	(36)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Short-term impacts of large income losses are mitigated	Participants' farm market revenues as a percentage of total farm market revenues Result reported in the 2011–12 Departmental Performance Report for 2009 was 70.7%	75% by March 31, 2014	64.5%
Short-term impacts of large income losses are mitigated	Participants' production margin with payments compared to reference margin Result reported in the 2011–12 Departmental Performance Report for 2009 was 71.2%	65% by March 31, 2014	77.3%

Performance Analysis and Lessons Learned

Federal, provincial and territorial governments implemented changes under AgriStability[xvi] to support the new direction of governments providing assistance in cases of disasters, while producers manage normal risks. Starting on April 1, 2013, assistance is triggered once a participating producer's margin falls below 70% of that producer's historical reference margin (compared to 85% under the previous framework). Also, payments are now based on the same level of government support (70%) regardless of the extent of margin loss, including negative margins (compared to a tiered system that provided different levels of government support depending on the degree of margin loss under the previous framework). When a producer experiences the deepest losses, where expenses exceed revenues, coverage has increased from 60% support to 70%. Finally, a producer's reference margin is limited to the lower of that producer's historical reference margin, or allowable expenses, reported in the previous years.

Performance data collected for this report was from the 2011 program year, which operated under the old program rules. The target for AgriStability participants' farm market revenues as a percentage of the sector's total farm market revenues was not met (64.5% versus 75%). This is likely due to the sector's strong performance; producers were not relying on program payments to the extent they may have been in the past. The indicator will continue to be monitored as information on the new program changes is made available.

The performance indicator for AgriStability participants' current year's margin with payments compared to their historical reference margin was met (77.3% versus 65%). For those producers participating in the program and suffering a loss, the AgriStability program was effectively returning a high percentage of their historical reference margin levels. Information reflecting the new program changes, introduced in 2013, will be reported in 2015–16.

Sub-Program 2.1.2: AgriInvest

Description: AgriInvest helps producers manage small income declines, and provides support for investments to mitigate risks or improve market income. Producers' AgriInvest accounts build as they make annual deposits based on a percentage of their Allowable Net Sales and receive matching contributions from federal, provincial, and territorial governments. This program is cost shared 60:40 by federal and provincial/territorial governments.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
156,268,733	243,153,136	86,884,403

AgriInvest is demand-driven, rather than a set allocation for each fiscal year. Although the administrative costs of the program remain relatively constant, the variance of the year-to-year grant and contribution payments is directly related to both participation and commodity prices, as producers' deposits and government contributions are based on a percentage of income generated from the sale of commodities for a production year.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
22	20	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Producers have the flexibility in managing small financial risks	Percentage of AgriInvest producers triggering AgriStability payments and making withdrawals from their AgriInvest saving accounts Result reported in the 2011–12 Departmental Performance Report for 2009 was 38%	60% by March 31, 2014	35.1%
Producers have flexibility in managing small financial risks	Percentage of producers indicating that they use their funds to address income declines or make investments to reduce on-farm risks or increase farm revenues	At least 75% of surveyed producers by March 31, 2014	90% The national business risk management survey was conducted in March 2010

Performance Analysis and Lessons Learned

Federal, provincial and territorial governments implemented program changes under AgriInvest[xvii] to support the new policy direction of providing government assistance in cases of disasters, while producers manage normal risks.

Under AgriInvest, producers will be able to contribute an amount up to 100% of their allowable net sales to their account annually with the first 1% matched by governments and an amount up to 400% of their allowable net sales in total, so that it can be better used as a risk-management tool.

Participation in the AgriInvest program has been consistent since 2008. In 2011, a total of 135, 204 producers (with revenue greater than $10,000) participated in the AgriInvest program, which represented 78.5% of all Canadian producers, exceeding the target of 65%. Producers currently have over $1.8 billion in their AgriInvest accounts, which can be accessed at any time to manage income declines or make investments. The participation rate in terms of market sales covered by the program for active AgriInvest participants, as well as the level of producer deposits, continues to increase and exceed target levels. These results suggest that producers continue to place value in this program.

The percentage of producers making withdrawals from their AgriInvest accounts while receiving AgriStability[xvi] assistance has declined again in 2011 (35.1% result versus 60% target). Federal, provincial and territorial governments will continue to look at the underlying reasons for this trend as the new program rules are put in place under *Growing Forward 2*[iv].

Sub-Program 2.1.3: AgriRecovery

Description: AgriRecovery is a disaster-relief framework that allows federal, provincial and territorial governments to work together on a case-by-case basis to assess disasters (for example, extreme weather, disease, pests, *et cetera*) affecting Canadian farmers and respond with targeted, disaster-specific programming when assistance is needed beyond existing programming (AgriStability, AgriInvest, AgriInsurance, Canadian Food Inspection Agency compensation, *et cetera*). The aim of AgriRecovery is to provide affected producers with assistance to help them take action to mitigate the impacts of the disaster and/or resume business operations as quickly as possible following a disaster event.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
122,456,669	(3,220,268)	(125,676,937)

AgriRecovery is a demand-driven program. The decreased spending in 2013–14 compared to planned is a result of decreased need for disaster response initiatives. The negative total shown for 2013–14 Actual Spending results from prior year Payables at Year End being returned to the Consolidated Revenue Fund for initiatives launched in previous fiscal years.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
10	9	(1)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Farm business operations resume operations following a natural disaster	Percentage of producers still farming one year after the disaster Result reported in the 2011 Business Risk Management Performance Indicators Report was that almost all producers were still in business one year after the disaster payments, exceeding the 70% target	70% by March 31, 2014	97% Source: Provincial administrations
Farm business operations resume operations following a natural disaster	Percentage of producers who believe that the financial assistance provided under the program played a role in the recovery Result reported in the 2011–12 Departmental Performance Report for 2009 was that almost all producers agreed	75% by March 31, 2014	Final reports from the provinces on the initiative indicated that the financial assistance was a significant contributing factor in helping producers recover from the disaster Source: Provincial administrations

Note: The performance results above are for two initiatives put in place in 2012–13 and completed in 2013–14. Results for initiatives put in place in 2013–14 will be available in 2014–15 once they are completed.

Performance Analysis and Lessons Learned

Under *Growing Forward 2*[iv], governments continue to use the AgriRecovery Framework[xxi] to help farmers recover from natural disasters. The Framework guidelines were revised in 2013–14 to improve clarity for when AgriRecovery assistance is triggered.

In 2013–14, governments implemented the 2013 Canada-Nova Scotia Strawberry Assistance Initiative; completed four initiatives launched in previous fiscal years, and assessed two events that did not result in AgriRecovery responses. In 2013–14, 160 payments were made under AgriRecovery totaling $542,126 (federal share was $325,276). The Department also reimbursed

Manitoba for a portion (60%) of the costs of assisting producers impacted by flooding in 2011 in the Lake Manitoba region.

The performance results in the table above demonstrate the continued relevance of AgriRecovery. Almost all producers receiving assistance were still in business one year after the disaster, and felt that AgriRecovery played a role in their recovery.

In November 2013, the Office of the Auditor General tabled an audit of AgriRecovery (*Chapter 8 - Disaster Relief for Producers*)[xxii]. The audit examined the processes Agriculture and Agri-Food Canada followed to assess disasters and develop initiatives (2007–2012). It found that the Department appropriately applied the criteria for determining whether or not to provide AgriRecovery support and properly coordinated communications for initiatives with the provinces. As part of the audit, the Department acknowledged that there were opportunities for improvement related to the timeliness of lower risk initiatives and committed to working with provinces and other stakeholders to streamline the assessment process based on risk. While challenges continued in 2013-14 with respect to the timeliness of the assessment process, the nine-month target for releasing 75% of payments was met for three of the four initiatives implemented in 2012–13.

Sub-Program 2.1.4: AgriInsurance

Description: AgriInsurance provides insurance against production losses for specified perils. The federal government contributes to AgriInsurance contracts offered to producers by provinces or territories. The commodities covered vary by province or territory and continue to expand to cover additional commodities.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
645,404,552	752,504,525	107,099,973

The variance between Actual Spending and Planned Spending was caused by increases in commodity prices over the course of the 2013–14 year. Producers continued to plant newer and higher yielding crop varieties and rotate their crop mixtures into higher value crops. In addition, there were considerable increases in commodity prices in 2013–14 compared to the previous year. These factors led to sizeable increases in AgriInsurance coverage and premiums, which were the drivers of the federal government's Actual Spending for 2013–14.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
19	17	(2)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Production losses are mitigated by providing effective insurance protection	Producers feel that AgriInsurance provides effective insurance to mitigate production losses	More than 70% of surveyed producers by March 31, 2014	The 2010 Business Risk Management Performance Indicators Survey indicated that producers who received insurance payments over the previous 5 years said that it met their expectations in terms of amounts received (65%), payments helped them recover from production losses (87%), and payments arrived in a timely manner (81%) The more recent 2013 Strategic Issues Survey also indicated that 92% of program participants judged AgriInsurance to be at least somewhat effective in helping to manage business risk
Production losses are mitigated by providing effective insurance protection	Value of insured production compared to the total value of all agricultural products eligible for insurance Result reported in the 2011–12 Departmental Performance Report for 2009 was 62%	60% by March 31, 2014	66.08% Data source: 2011 Business Risk Management Performance Indicators Report
Production losses are mitigated by providing effective insurance protection	Value of agricultural products eligible for insurance compared to the value of all agricultural products Result reported in the 2011–12 Departmental Performance Report for 2009 was 87%	85% by March 31, 2014	85.6% Data source: 2011 Business Risk Management Performance Indicators Report

Performance Analysis and Lessons Learned

Under *Growing Forward 2*[iv], federal, provincial and territorial governments continue to offer protection through the AgriInsurance program[xxiii] for production losses related to specific crops

or commodities caused by drought, flooding, disease, and other natural hazards.

Participation targets for crops were met again with over 60% of the value of eligible crops insured against production losses.

Work continues to expand available coverage particularly in key areas like forage, where eight provinces have either made enhancements to their forage insurance products or plan to launch improved products in 2014–15.

In March 2014, Agriculture and Agri-Food Canada completed the *AgriInsurance Program Audit*[xxiv] which concluded that effective controls were generally in place to support the administration and monitoring of AgriInsurance payments and appropriate monitoring controls related to program self-sustainability had been designed. The Department is taking steps to address one audit recommendation related to reviewing recipient audit criteria to ensure that future AgriInsurance program needs are met.

Sub-Program 2.1.5: *Canadian Agricultural Loans Act*

Description: The *Canadian Agricultural Loans Act* is a legislated financial loan guarantee program that improves availability of credit to farmers and agricultural cooperatives. Under the *Canadian Agricultural Loans Act* program, the Government of Canada guarantees to financial institutions repayment of the loans that they make to farmers and agricultural co-operatives for eligible purposes. Farmers use these loans to establish, improve, and develop their farms, while Agricultural co-operatives use loans to process, distribute, or market the products of farming.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
14,799,490	730,489	(14,069,001)

Difference is primarily due to lower than expected prime lending rates across the financial industry, which has reduced program uptake and decreased the costs associated with defaulted loans.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
4	4	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Agricultural farmers and co-operatives have access to affordable capital to make investments in their farm properties	Value of registered loans awarded by lending institutions during the fiscal year Baseline (2009 to 2011 average) = $122 million annually	$217 million annually by March 31, 2014	1,747 loans worth $113.2 million registered, by March 31, 2014

Performance Analysis and Lessons Learned

Under the *Canadian Agricultural Loans Act* Program[xxv], the government guarantee requires financial institutions to cap the interest rate charged on registered loans, and prescribes the maximum duration of a loan to 15 years for land purchases and 10 years for all other purposes.

In 2013–14, 1,747 loans worth $113 million were issued, including 217 loans worth $24 million to beginning farmers. The annual target of $217 million stems from the target $1 billion over five years, set when the *Canadian Agricultural Loans Act*[xxvi] received Royal Assent in 2009. This target was not reached due mainly to continued easy credit terms and higher commodity prices that made the program less desirable than anticipated to financial institutions and farmers, and agricultural cooperatives.

In February 2014, Agriculture and Agri-Food Canada completed its *Evaluation of the Canadian Agricultural Loans Act*[xxvii]. The evaluation concluded that the program offers beneficial financing options to Canadian farmers and cooperatives. The evaluation indicated that producers find the program allows them to increase investments in their operations, increasing the overall value of their farms, while improving productivity and sustainability. The results of this evaluation are serving to inform the legislative five-year review of the *Canadian Agricultural Loans Act*. This review is currently underway and will be completed by the end of 2014-15.

Sub-Program 2.1.6: *Agricultural Marketing Programs Act*

Description: The Advance Payments Program and the Price Pooling Program are two active federal loan guarantee programs legislated under the authority of the *Agricultural Marketing Programs Act*. Under the Advance Payments Program, the government guarantees the repayment of the cash advances made to crop and livestock producers by third-party administrators for a specified period of time, based on the value of their agricultural product. These cash advances improve producers' cash flow throughout the year, enabling them to meet their financial obligations and benefit from the best market conditions. Eligible producers can receive an Advance Payments Program advance of up to $400,000 at a preferential interest rate, with the government paying the interest on the first $100,000. Producers repay their advance plus interest, as their product is sold. Target clients are producers of agricultural products as defined under the *Agricultural Marketing Programs Act*. The Price Pooling Program facilitates the marketing of agricultural products under cooperative plans by guaranteeing a minimum average price of products sold by marketing agencies. This enables marketing agencies to secure financing and to issue initial delivery payments to their members. The government guarantee protects agencies against unanticipated declines in the market price of their products that exceed 35%. Target clients are marketing agencies of agricultural products defined under the *Agricultural Marketing Programs Act*.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
100,175,000	83,171,000	(17,004,000)

Difference is primarily due to lower than expected interest rates in addition to lower than expected default payments.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
34	30	(4)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Agricultural producers have improved cash-flow to enable them to make better marketing decisions about their products	Number of producers receiving Advance Payments Program advances per production period Baseline (2007 to 2011 average) = 28,920 producers per production period	30,000 for the 2010–11 production period by March 31, 2014	23,436 producers received advances by March 31, 2014 for the 2013–14 production period
Agricultural producers have improved cash-flow to enable them to make better marketing decisions about their products	Dollar value of Advance Payments Program advances issued per production period Baseline (2007 to 2011 average) = $1.956 billion per production period	$2 billion for the 2010–11 production period by March 31, 2014	$2.388 billion in advances issued by March 31, 2014 for the 2013–14 production period

Note: Although the target was specific to the 2010–11 production period, most recent data from the 2013–14 production period was used to calculate the actual results.

Performance Analysis and Lessons Learned

The uptake of the Advance Payments Program[xix] by producers fluctuates from one year to the next. It is delivered by 60 third-party producer organizations across the country. Between 2007 and 2013, the average number of producers getting advances per production period was 27,080, the average amount advanced was $2 billion per production period, and the average Advance Payments Program advance was $75,378 per producer.

For 2013–14, approximately $2.4 billion in advances were issued (well above the average) to 23,436 producers. Average Advance Payments Program advances increased to $102,000 per producer.

The Advance Payments Program was one of the key elements in the federal response to the challenges faced by producers in moving grain in late 2013 and early 2014, as it specifically

aims to improve cash flow for producers while they are either growing their grain or waiting to market it.

On December 9, 2013, to support investment and innovation in the agricultural sector, the Government of Canada introduced Bill C-18, the *Agricultural Growth Act*[xx], which proposed several changes to the *Agricultural Marketing Programs Act*[ix]. The proposed changes are expected to simplify delivery, reduce red tape, and increase producers' accessibility to the program.

Sub-Program 2.1.7: Hog Industry Loan Loss Reserve

Description: The Hog Industry Loan Loss Reserve Program is aimed at assisting viable hog operations with their short term liquidity pressures by providing long term loans. The program will reduce lenders' exposure to risk by sharing the risk of long term loans with the Government of Canada, thereby encouraging these lenders to extend credit and facilitate debt restructuring.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
563,809	(3,684,049)	(4,247,858)

Actual Spending is less than Planned Spending primarily due to excess funds returned from the recipient to the Department.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Viable hog operations are positioned to benefit from improving market conditions	Percentage of hog producers receiving reserve-backed loans that continue in the first 12 months to repay the loans without defaulting Baseline established in 2010–11= 263 of 404 loans (65%)	65% by March 31, 2014	90%

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada continued to monitor support put in place to help the hog sector deal with immediate short-term cash-flow pressures through the Hog Industry Loan Loss Reserve Program[xxviii]. The program was designed to help viable hog operations weather

economic uncertainty by transferring short-term debt into government-backed long-term loans of up to 15 years.

In 2009–10, 21 contribution agreements were signed with 11 financial institutions issuing loans. For each loan registered, the Department deposited a portion of the value of the loan in a reserve fund account with the financial institution. Under the Hog Industry Loan Loss Reserve Program, 263 loans were issued for a total of $408.1 million, which amounts to $243.8 million in reserve funding.

For 2013–14, 90% of loans are in good standing (237 out of the 263), exceeding the target of 65%.

The Government of Canada will continue to share the risk with financial institutions until such time as the loans are fully paid back or until April 2025.

In 2013–14, Agriculture and Agri-Food Canada undertook, as part of its Five-Year Strategic Evaluation Plan (2013–14 to 2017–18), an *Evaluation of Hog Related Programs*, which included the Hog Industry Loan Loss Reserve Program. The evaluation is targeted for completion by November 2014.

Sub-Program 2.1.8: Hog Farm Transition

Description: The Hog Farm Transition Program was introduced in 2009 to help the hog sector in Canada adjust to new market realities brought about by a strong Canadian currency; high feed prices; rising energy costs; lower world pork prices; and increased competition in export markets. Under the program, producers least able or willing to participate in the new tougher hog market could exit the industry in an orderly fashion by tendering bids for the amount of funding they would accept to cease production for at least three years. The resulting decline in hog production combined with the anticipated cost efficiencies associated with the remaining producers is expected to improve the overall profitability of the sector.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
1,070,996	50,930	(1,020,066)

The Hog Farm Transition Program helped transition to new market realities by providing $71.7 million to 446 successful bidders who agreed to empty barns and cease production for three years. The depopulation deadline set out in the funding agreement was March 31, 2011. Monitoring continued until March 31, 2014, three years after the last participating barns were emptied. These costs as well as project close out costs, were less than anticipated in 2013–14.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1	1	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Reduction in number of hogs produced in Canada	Reduction in number of hogs produced in Canada once program is completed Baseline established in 2009–10 for 2009–10 production level of 32 million hogs = Reduction of 3.2 million hogs	3.2 million by March 31, 2014	2.7 million hogs annually as of March 31, 2014

Performance Analysis and Lessons Learned

The Hog Farm Transition program concluded as of March 31, 2014. Under this program, 446 hog producers successfully bid to exit hog production for a period of three years at a cost of $71.7 million. The program achieved an estimated annual reduction in the number of hogs by 2.7 million head, or nearly 85% of the target reduction of 3.2 million head. The Hog Farm Transition program was delivered by the Canadian Pork Council through a contribution agreement with the Department. A Canadian Pork Council performance report indicated that the program and its delivery were relevant, efficient and effective in achieving the reduction in hog numbers. In 2013–14, Agriculture and Agri-Food Canada undertook, as part of its Five-Year Strategic Evaluation Plan (2013–14 to 2017–18), an *Evaluation of Hog Related Programs*, which included the Hog Farm Transition program. The evaluation is targeted for completion by November 2014.

Sub-Program 2.1.9: AgriRisk

Description: The AgriRisk Initiatives program provides financial and technical assistance to private-sector or industry-led projects to research, develop, implement and deliver new risk management tools including insurance-based tools. The objective of the program is to increase producers' ability to address the risks they face by facilitating the development and adoption of agricultural risk management tools. AgriRisk Initiatives will be delivered through time-limited financial and technical assistance for projects undertaking the research and development of potential risk management tools, and support the administrative capacity building projects for the delivery of these tools. Research and development projects are federal-only funding whereas implementation and delivery projects are cost-shared with provinces or territories.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
4,214,536	2,599,156	(1,615,380)

Difference in financial resources is primarily due to timing in the implementation of this new program under *Growing Forward 2*.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1	1	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Industry has increased awareness of current agricultural risk management tools and mitigation strategies and has access to new or expanded business risk management tools	Percentage of participants using new tools that have been launched under AgriRisk Initiatives for the period of *Growing Forward 2* (2013–18)	5	Performance data to be provided in 2014–15
Industry has increased awareness of current agricultural risk management tools and mitigation strategies and has access to new or expanded business risk management tools	Number of completed AgriRisk Initiatives projects for the period of *Growing Forward 2* (2013–2018)	10	Performance data to be provided in 2014–15

Performance Analysis and Lessons Learned

Through *Growing Forward 2*[iv], both industry and governments stressed the importance of insurance and other tools in the management of risk. To that extent, the new AgriRisk Initiatives[xviii] program was introduced in 2013–14 as a complementary program under the business risk management suite. The purpose of the AgriRisk Initiatives program is to support new risk management tools for use in the agricultural sector.

This program is providing time-limited financial and technical assistance to approved projects. It consists of two streams: (1) Research and Development, launched in June 2013, under which federal officials had received 13 applications, two of which have been approved; and, (2) Administrative Capacity Building, launched in March 2014. Under this latter stream, the Department was able to provide funding for a portion of the costs of administering the Western Livestock Price Insurance Program. This pilot program is an expansion to all Western provinces

of Alberta's existing price-insurance programming for fed and feeder cattle, calves and hogs. In March 2014, four bilateral agreements were signed with the participating provinces (British Columbia, Alberta, Saskatchewan and Manitoba) that allowed the launch of the program in spring 2014.

Program 2.2: Food Safety and Biosecurity Risk Management Systems

Description: Agriculture and Agri-Food Canada supports producers and organizations in the development and implementation of food safety, biosecurity and traceability risk management systems to prevent and control risks to the animal and plant resource base thus strengthening the sector against widespread diseases and losses in domestic and foreign markets. The risk management systems are national, government-recognized on-farm and/or post-farm Hazard Analysis of Critical Control Points or Hazard Analysis of Critical Control Points-based food safety systems, National Biosecurity Systems and a National Agriculture and Food Traceability System. These systems also support emergency management to limit the spread of animal and plant diseases, thereby reducing economic, environmental and social impacts of a crisis. The National Animal and Plant Biosecurity Strategy provides overall policy direction ensuring efforts are targeted at the highest possible biosecurity risks. Eligible recipients include national or regional non-profit organizations, producers and industry stakeholders.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
64,378,297	90,113,297	119,962,679	90,347,576	234,279

Differences in financial resources are primarily due to a realignment among Programs, timing of implementation for multi-year projects under *Growing Forward 2*, and one-time amounts paid as a result of recent restructuring. Planned Spending also included funding that was later transferred to other government departments for *Growing Forward 2* initiatives.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
310	289	(21)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased safety of the food systems	Percentage of producers participating in Hazard Analysis of Critical Control Points-based programs reporting adoption of food safety practices Baseline established in 2005 = 28%	45% by March 31, 2014	Previous Result: 47% as of March 31, 2013 (2012 Farm Financial Survey indicated that 47% of the livestock, poultry and horticultural farms with total sales greater than $10,000 are participating in the 11 Hazard Analysis of Critical Control Points-based food safety programs) In the future, the program will move away from the Farm Financial Survey to another performance measure based on economic modelling

Performance Analysis and Lessons Learned

The 2013–14 actual results reported above are the same as from the *2012–13 Departmental Performance Report*[xxix] as the source of this data, the Farm Financial Survey[xxx], was not conducted in 2013. The Canadian Food Inspection Agency[xxxi], which received funds under this program as part of a Memorandum of Understanding to assist industry in developing key food safety systems, reviewed 22 Hazard Analysis of Critical Control Points based food safety programs developed by national producer organizations for the livestock, poultry, horticultural, and grains sectors.

Food safety and plant and animal health are still key issues in ensuring industry competitiveness and domestic and international market access.

Sub-Program 2.2.1: Assurance Systems

Description: The Canadian agriculture, agri-food and agri-based products sector is supported in its endeavours to prevent and control risks to the animal/plant resource base, provide safe food and meet new market demands for assurance. Federal programming supports national organisations in developing national assurance systems, standards and tools, which include food safety systems, biosecurity standards, traceability systems and market attribute standards.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
20,307,035	6,080,032	(14,227,003)

Actual spending is less than Planned Spending due to timing of implementation for multi-year projects under *Growing Forward 2*. In addition, Planned Spending also included funding that was later transferred to other government departments for *Growing Forward 2* initiatives.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
25	23	(2)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Assurance systems that respond to consumer, buyer and market demands and protect against threats to plant and animal health are completed and tools available to implement	Number of assurance system/standard tools completed Baseline for *Growing Forward* programming (2008–13) = 12	23 new over the period April 1, 2013 to March 31, 2018	While the target is established for March 31, 2018, progress to date indicates it will be achieved

Performance Analysis and Lessons Learned

In 2013–14, 14 Assurance Systems project agreements, worth $2.3 million, were signed, bringing the total commitment to $15.3 million during *Growing Forward 2*[iv] to the cattle, turkey, dairy, pork, pulses, grains, and oilseeds sectors.

Actual spending was less than authorized, but in line with past trends during the first year of a new program. Demand should increase in future years as industry adjusts to the new cost-sharing model and expanded eligibility. Further, all of the agreements are multi-year, rather than single-year, and additional time was required to assess more complex projects.

In addition, Agriculture and Agri-Food Canada is working with national commodity groups to further develop traceability plans. For example, all priority species groups, including cattle, bison, sheep, goats, hogs, and cervids (deer, elk, caribou, and wild boar) have implementation plans in place. These plans cover animal identification, premises identification, movement-reporting plans, administrators and data-service providers.

Under a Memorandum of Understanding with the Department, the Canadian Food Inspection Agency[xxxi] is providing technical expertise to complement the programming as described. This work is detailed in Section III of this report. The results for this year are:

- initiating the review of three new Hazard Analysis of Critical Control Points food safety systems (honey, trucking and turkey breeder) and completing reviews of five existing food safety systems (eggs, turkey, dairy, broiler hatching eggs, and horticulture – fruits and vegetables);
- publishing proposed amendments to the Health of Animals Regulations[xxxii] for pig traceability in the *Canada Gazette* - Part II; and
- advancing biosecurity standards for the equine, fruit and tree nut, and greenhouse, nursery and floriculture sectors.

In 2013–14, under its Five-Year Strategic Evaluation Plan (2013–14 to 2017–18), the Department undertook an evaluation of the Assurance Systems, which included the Canadian Integrated Food Safety Initiative under *Growing Forward*, the predecessor to *Growing Forward 2*'s Assurance Systems. The evaluation is targeted for completion by August 2014.

Sub-Program 2.2.2: Science Supporting a Competitive Sector

Description: Agriculture and Agri-Food Canada improves sector sustainability through development of new knowledge supporting development of products, processes, and practices to enhance the safety of the food system, to enhance security and protection of the food supply, and to enhance economic benefits for all stakeholders. This also includes developing an understanding of Canadian bioresources and protecting and conserving their genetic diversity, enabling the sector to respond to emerging agricultural threats, such as invasive alien species and disease, thereby developing a more sustainable agriculture.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
32,625,015	49,143,687	16,518,672

Difference in financial resources is primarily due to a realignment among Programs and one-time amounts paid as a result of recent restructuring.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
284	265	(19)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Knowledge is advanced to the science community in the areas of food safety and security, bioresources and efficient integrated production systems	Number of Peer Reviewed Publications submitted, in preparation or published for "Closed" Research Projects under this activity Baseline, from 2011–12 Branch Performance Report covering the period from 2008–12 = 100	100 new over the period April 1, 2013 to March 31, 2018	59 scientific publications, consisting of articles, papers, reports, book chapters, presentation materials, conference proceedings, and posters have been generated to date 34 of these publications were peer reviewed and submitted or published during the 2013–14 period

Performance Analysis and Lessons Learned

In 2013–14, under *Growing Forward 2*[iv], Agriculture and Agri-Food Canada initiated 43 new projects to support developing new knowledge and enhancing the safety of the food system. All projects are under way and it is expected the program will meet or exceed its target.

Much progress is being made on projects that are investigating several food safety areas for production systems such as:

- understanding and eliminating soyfood allergens;
- minimizing the accumulation in Canadian crops of harmful metals and increasing the concentrations of elements that are often deficient in the human diet, like iron and zinc, to reduce risks to human health and improve the nutritional content of food;
- addressing the environmental and human health risks associated with agricultural organic fertilizers; and
- countering antimicrobial resistance to veterinary bacterial diseases and ensuring human food safety.

To date, 59 scientific publications have been generated. Nine new products have been produced in the area of genomics developments, and one technology transfer activity was conducted. Agriculture and Agri-Food Canada developed an analytical tool to identify and help mitigate the transfer of disease within herds of cattle. This particular tool was developed to identify paratuberculosis infection.

Sub-Program 2.2.3: AgriFlexibility – Protection of the Food Supply

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by

Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

The Protection of the Food Supply component of AgriFlexibility provides funding to enhance the security of the food supply for activities, recipients, projects and initiatives that are not eligible under Agriculture and Agri-Food Canada's *Growing Forward* programming. It promotes the adoption of proven food safety, biosecurity, traceability and risk management practices to ensure market access and increased demand for Canadian agricultural products.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
4,281,851	3,180,745	(1,101,106)

Difference in financial resources is largely due to a realignment among AgriFlexibility programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under the following sub-programs: 2.3.4 AgriFlexibility – Increased Market Demand and 3.1.4 AgriFlexibility – Agri-based Processing.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Improved food safety, biosecurity, traceability and risk management measures	Number of food safety plans and programs being developed Baseline established in 2009 = zero (0) as AgriFlexibility - Protection of the Food Supply is a new program	6 over the period June 1, 2009 to March 31, 2014	5

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded as of March 31, 2014. Three initiatives were funded under this sub-program, generating a total of five food safety plans and programs. The first initiative was to develop a program to reduce the presence of salmonella in broiler chicken. The second was to assist target groups of food processors in conforming to Hazard Analysis of Critical Control Points norms, while the third initiative was to improve traceability.

With these three initiatives the program came close to meeting its objective to have six food safety plans and programs put in place, realizing five.

Sub-Program 2.2.4: AgriFlexibility – Livestock Auction Traceability

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

The Livestock Auction Traceability Initiative is an up to $20 million program funded through the Agricultural Flexibility Fund. This federally delivered initiative will provide contributions to assist primarily in the alteration of animal handling structures, which will enhance traceability capabilities at high-risk, high through-put sites where animals from different herds co-mingle. These sites include auction marts, assembly yards, privately managed community pastures, fairs and exhibitions, feedlots and backgrounders.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
7,164,396	5,322,025	(1,842,371)

Difference in financial resources is largely due to a realignment among AgriFlexibility programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1	1	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Enhanced traceability capabilities at high-risk, high-throughput co-mingling sites	The percentage of targeted co-mingling sites participating in the program that enhanced their facilities' traceability capabilities (there are 1,327 targeted sites and it is estimated that approximately 416 will participate) Baseline established in 2009 = zero (0) as participants would not be expected to make these changes outside of the program	95% of participants (395) from June 1, 2009 to March 31, 2014	98% 427 out of 437 participants

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded on March 31, 2014. Performance analysis of the Livestock Auction Traceability Initiative program[xxxiii] is based upon a series of questions answered by recipients. Of the 437 recipients, 427 or 98% enhanced their traceability capabilities, including: improved efficiency and accuracy of tag reading; increased sharing of traceability data; and the capability to transmit traceability information. The remaining 2% had not completed their training by the time of the survey, or experienced technical difficulties.

During the three-year Livestock Auction Traceability Initiative program, which had allocated funding of $15.8 million, spending of $10.4 million was actually approved. However, the majority of lapsed funds ($4.2 million) were in the first year of the program, as it took time for recipient uptake to grow.

The Livestock Auction Traceability Initiative program actually stopped accepting applications in April 2013. However, the program continued to process previously received applications until the program's funds were exhausted. The final agreement was signed in December, 2013. When recipients submitted their claims for reimbursement, some were much lower than the approved amount for the project, resulting in lapsed funds.

Sub-Program 2.2.5: Cost-shared Assurance Programming

Description: The Canadian agriculture, agri-food and agri-based products sector is supported in its endeavours to prevent and control risks to the animal/plant resource base, provide safe food and meet new market demands for assurance. Provincial/territorial programming supports producers, processors and other individual enterprises in implementing national assurance systems, standards and tools, which include food safety systems, biosecurity standards, traceability systems and market attribute standards. Federal programming supports national organisations in developing national assurance systems, standards and tools, which include food safety systems, biosecurity standards, traceability systems and market attribute standards.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
25,735,000	26,621,087	886,087

Difference in financial resources is primarily due to a realignment among *Growing Forward 2* cost-shared programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
The sector is implementing assurance systems	Number of producers and agri-processing enterprises implementing an assurance system/standard activity Baseline from *Growing Forward* programming (2008-2013) = 3,000	3,000 over the period April 1, 2013 to March 31, 2018	Provincial and territorial annual performance data to be provided in 2014–15

Performance Analysis and Lessons Learned

Under the cost-shared component of the *Growing Forward 2*[iv] framework, each province and territory has the flexibility to design and implement programming that is tailored to meet diverse regional needs.

In 2013–14, provinces and territories implemented *Growing Forward 2* cost-shared assurance programming that includes training and awareness activities for specific assurance systems (food safety and quality, biosecurity, traceability and animal welfare); and support to industry to implement and adopt tools and best management practices related to assurance systems and standards.

As this is the first year of the program, no results are currently available. Provincial and territorial annual performance data for 2013–14 are expected to be available in 2014–15.

Agriculture and Agri-Food Canada completed the *Evaluation of the Cost-Shared Non-Business Risk Management Contribution Programming under Growing Forward*[xv]. *Growing Forward* cost-shared non-business risk management programs administered by provinces and territories supported assurance programming. The evaluation found that *Growing Forward* funded

significant outreach and food safety activities to bolster industry awareness and implementation of food safety systems. The evaluation also found that biosecurity and traceability programs under *Growing Forward* appeared to have increased awareness and supported initial activities in these areas. However, some barriers identified by provinces and territories include limited awareness among producers of biosecurity standards, systems and technologies during *Growing Forward*. Ongoing measures were therefore recommended to continue to increase industry awareness and take-up.

The assurance programming under *Growing Forward 2* continues its support to increase industry awareness of assurance systems and to advance the implementation of these systems at the business level.

Program 2.3: Trade and Market Development

Description: Agriculture and Agri-Food Canada acts as Canada's agricultural trade advocate, working to break down trade barriers at home and abroad and expand opportunities for the agriculture, agri-food and agri-based products sector. Agriculture and Agri-Food Canada assists the sector in identifying new domestic and global opportunities, markets and ways to enhance productivity, competitiveness and prosperity. Agriculture and Agri-Food Canada also works to distinguish Canadian products under Brand Canada International and the Domestic Branding Strategy to expand and deepen the sector's strengths in the marketplace.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
155,414,937	181,149,937	193,068,635	135,561,420	(45,588,517)

Differences in financial resources are primarily due to amounts carried forward from 2012–13 for the Canadian Wheat Board Transition Costs Program, realignment among Programs, and one-time amounts paid as a result of recent restructuring.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
414	355	(59)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased agricultural sector market development and access	Growth in total exports of agriculture and agri-food Baseline in 2011 = $44.4 billion	$52.2 billion by December 31, 2017	$50.4 billion in 2013 Note: Data from June 2014 (Source: Global Trade Atlas)

Performance Analysis and Lessons Learned

Canada exported an all-time high of $50.4 billion worth of agriculture, agri-food and seafood products in 2013, a 5.6% increase from the previous 2012 record year. Large increases in exports of wheat (8.84%), leguminous vegetables (48.97%) and corn (103.25%) contributed to this achievement.

As exports are extremely important to the profitability of this country's agriculture and agri-food sector, Agriculture and Agri-Food Canada continued its effort to re-open, maintain and expand markets to create opportunities for the sector. Several successes were achieved in addressing bilateral market access issues to the benefit of the sector. In China, access for fresh cherry exports from British Columbia was granted, and exports of canola were expanded. Brazil and Turkey granted full market access to Canadian sheep and goat genetics. Taiwan and Canada signed an arrangement to expand market access to include Canadian bone-in beef and other specified beef products from animals less than 30 months of age. Chile also opened its market to Canadian beef exports. Under the North American Platform Program, the Department continued to advocate and advance Canada's market access and trade interests with the United States and Mexico. Agriculture and Agri-Food Canada also aimed to reduce barriers to trade by promoting science-based measures through international standard-setting bodies.

The Department continued to show international leadership in initiating dialogue on solutions for low-level presence of genetically modified organisms as the founder and secretariat of the Global Low Level Presence Initiative, and as the lead supporter of a technical consultation on the subject hosted by the Food and Agriculture Organization.

Agriculture and Agri-Food Canada continued to focus on key industry challenges to improve Canadian competitiveness and profitability. The Department worked with national and regional agricultural and food associations, individual companies and value chain members to address barriers to growth, such as horizontal and regulatory issues. Market intelligence, market development coordination and branding activities were also undertaken to enable industry to seize new market opportunities and build commercial successes.

Agriculture and Agri-Food Canada, in collaboration with Transport Canada[xxxiv] and the Canadian Transportation Agency[xxxv], supported the implementation of the *Fair Rail for Grain Farmers Act*[v] and related regulations to maintain Canada's good reputation as a global supplier.

Sub-Program 2.3.1: Trade Negotiations and Market Access

Description: Given the sector's role as a significant agricultural importer and exporter, Canada has a fundamental interest in further strengthening the international rules governing agricultural trade, levelling the international playing field, and protecting access to key international markets for our producers and processors. The Government of Canada continues to support the World Trade Organization as one of the primary avenues to exert influence on the development and application of international rules, technical standards and policies governing the trade of agriculture products. Agriculture and Agri-Food Canada continues to seek a favourable outcome to the World Trade Organization negotiations and pursue Free Trade Agreements with critical countries, in line with the government's Global Commerce Strategy. Agriculture and Agri-Food Canada works to ensure that export risks are minimized and opportunities are maximized for Canadian farmers, processors and export entrepreneurs. Furthermore, this program enhances Canada's market position by providing integrated services for market development, exporter preparedness, investment, market access and technical assistance, and trade/market analysis.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
16,903,290	16,850,963	(52,327)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
124	106	(18)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Multilateral and bilateral trade agreements create new opportunities for the Canadian agriculture sector	Percentage of the value of Canadian agriculture and agri-food exports covered by free trade agreements Baseline in 2011 = 61%	75% by December 31, 2017	75% as of March 31, 2014

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada continued to play a lead role in advancing the agriculture sector's interests in the Government's ambitious trade negotiations agenda. Significantly, an agreement-in-principle was reached with the European Union on a comprehensive trade agreement that will provide the Canadian agriculture and agri-food sector with preferential

market access. In addition, the free trade agreement signed with Honduras and the free trade agreement negotiations concluded with South Korea, both provided new export opportunities for the sector. The Department also continued to promote the sector's interests in ongoing trade negotiations with the Trans-Pacific-Partnership[xxxvi], Japan, India, Morocco, Ukraine, Singapore, Dominican Republic, Israel (modernization of the existing Free Trade Agreement), Costa Rica (modernization of the existing Free Trade Agreement), Caribbean Community and Common Market and the Central America countries of El Salvador, Guatemala and Nicaragua.

The Department continued to work to further the World Trade Organization agriculture negotiations through its active participation at the ninth World Trade Organization Ministerial meeting in December 2013. At this meeting, key decisions were reached on public stockholdings for food security purposes and tariff rate quota administration. Also, while the World Trade Organization Appellate Body ruled in Canada's favour regarding the challenge to the Country of Origin labelling regime of the United States, Agriculture and Agri-Food Canada continued to advocate strongly for measures that would bring the United States into full compliance with its World Trade Organization obligations.

Agriculture and Agri-Food Canada also continued to support key agriculture-related initiatives under the Regulatory Cooperation Council and Beyond the Border initiatives with the goal of further enhancing trade.

Sub-Program 2.3.2: Market Growth

Description: Provision of timely and specific market intelligence and analysis enhanced to allow industry to maximize export opportunities in an increasingly competitive global environment. Work with new and potential exporters, especially Small and Medium Enterprises to develop competencies needed to succeed in international markets, and provide stakeholders with market information, analytical services, best practices, Canadian Brand seminars, exploratory missions and trade show preparation to better ensure success.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
39,783,775	34,443,981	(5,339,794)

Actual Spending is less than Planned Spending primarily due to delays in program implementation and savings identified from the recent restructuring undertaken by the government. Also, Planned Spending included funding that was later transferred to other government departments for *Growing Forward 2* initiatives.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
100	86	(14)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the

targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Increase in exports to developed and emerging or developing countries	Value of Canadian agriculture, agri-food and seafood exports to developed (Organization for Economic Cooperation and Development) countries Baseline in 2009 = $27.95 billion for the 34 Organization for Economic Cooperation and Development (developed) countries	$35.4 billion by December 31, 2017	$35.7 billion in 2013 Note: Data from June 2014
Increase in exports to developed and emerging or developing countries	Value of Canadian agriculture, agri-food and seafood exports to emerging and developing countries (non-Organization for Economic Cooperation and Development) Baseline in 2009 = $10.85 billion for the 10.4 non-Organization for Economic Cooperation and Development (undeveloped) countries	$17.3 billion by December 31, 2017	$14.7 billion in 2013 Note: Data from June 2014

Note: Information on Organization for Economic Cooperation and Development can be found online[xxxvii].

Performance Analysis and Lessons Learned

To fully capture the benefits of free trade agreements and increased access to new markets, the Department provided market intelligence, helped showcase Canadian products and assisted agricultural exporters to prepare and enter markets via the Agriculture and Food Trade Commissioner Service[xxxviii].

In 2013–14, Agriculture and Agri-Food Canada organized and operated six flagship trade shows (major international trade events) and two non-flagship trade shows (small regional trade events) in priority markets such as China, the European Union and Japan. These events generated $835 million in actual and anticipated business and developed a combined 6,500 new business relationships, as reported by exhibitors.

Sub-Sub-Program 2.3.2.1: Market Development

Description: Supports the agricultural sector by providing resources through matching contribution agreements to ensure that industry has the capacity to take advantage of gains made

in market access, as well as to seize new opportunities presented by consumer preferences and emerging food trends, in order to be competitive in domestic and export markets. For example, Market Development supports Canada's agriculture and agri-food industry to build and deliver on long-term international strategies, to gain and expand international recognition in key markets and enhance market opportunities for Canadian agriculture and agri-food products. This ensures that Canada is well-positioned to succeed in key markets and respond to consumer demands and global competition.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
22,998,193	21,166,140	(1,832,053)

Actual Spending is less than Planned Spending primarily due to timing of implementation for multi-year projects.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
21	18	(3)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Improved competitiveness, both at home and abroad, as a result of providing the sector with the tools to enhance their capacity to export and meet buyer/market demands	Number of contribution agreements Baseline established from previous program (2008–13) = 45 based on the average number of agreements signed under the previous program	Target = 45 agreements per year by March 31, 2014	50 agreements were signed
Improved competitiveness, both at home and abroad, as a result of providing the sector with the tools to enhance their capacity to export and meet buyer/market demands	Maintenance of market share in key markets, or increase in exports or market share in targeted markets	To Be Determined	This indicator was replaced during the implementation of *Growing Forward 2* Market Development to reduce the administrative burden on recipients. For 2014–15, it is being replaced by a cumulative number of market development and promotional events supported by the program

Improved competitiveness, both at home and abroad, as a result of providing the sector with the tools to enhance their capacity to export and meet buyer/market demands	Percentage of Program participants are aware of tools, satisfied with the delivery of tools, and are better to export/compete as a result of using the tools Baseline to be established through the first survey conducted during the first years of the program as this is a new indicator	80% of those surveyed are aware of the tools, satisfied with their delivery and report being better able to export/compete as a result of using these tools by March 31, 2018	This indicator was replaced during the implementation of *Growing Forward 2* Market Development to reduce the administrative burden on recipients. For 2014–15, it is being replaced by a cumulative number of market development and promotional events supported by the program

Performance Analysis and Lessons Learned

The Department signed 50 agreements with industry associations for Market Development projects to support their long-term international strategies. This represented a commitment of $18 million in 2013–14. It is expected that the activities will contribute towards increasing exports and/or market share in targeted markets based on baseline figures established over this last year.

In addition, 30 Market Development project agreements were signed with small- and medium-sized enterprises that operate in the agriculture, agri-food, and fish and seafood sectors and that have fewer than 250 employees and annual sales not exceeding $50 million. The projects were approved for a total commitment of $486,797 to help recipients identify and seize new marketing opportunities. These agreements were finalized in the final quarter of 2013–14.

Sub-Sub-Program 2.3.2.2: Market Information and Export Capacity Building

Description: Provision of timely and specific market intelligence and analysis enhanced to allow industry to maximize export opportunities in an increasingly competitive global environment. New and potential exporters, especially Small and Medium Enterprises, are provided with market information, analytical services, best practices, Canadian Brand seminars, exploratory missions and trade show preparation to better ensure success.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
9,241,836	5,735,911	(3,505,925)

Actual Spending is less than Planned Spending primarily due to savings identified from the recent restructuring undertaken by the government. Also, Planned Spending included funding that was later transferred to other government departments for *Growing Forward 2* initiatives.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
43	37	(6)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Stakeholders aware of new and emerging trends in global markets	Percentage of stakeholders demonstrating awareness of new and emerging trends in global markets Baseline is 80% satisfaction	80% by March 31, 2018	92% satisfaction in 2013–14 Source: Online client feedback

Performance Analysis and Lessons Learned

The Department continued to support industry by providing market intelligence reports to exporters, helping them to plan and prepare for domestic and export markets with information tailored to their needs. Due to the complexity of measuring stakeholders' awareness attributable only to the provision of market intelligence and analysis, stakeholder satisfaction level is measured instead.

Moreover, in support of Canadian industry food show participants, over 80 market intelligence and information reports were developed and shared to help them better prepare to take advantage of opportunities abroad.

Sub-Sub-Program 2.3.2.3: Canada Brand

Description: Canada Brand program continues to strengthen the Brand and particularly build further on the foundation of food safety, animal/plant health, traceability and environmental protection. The program continues to work with the Value Chain Round Tables as well as individual industry stakeholders to encourage improvements to the foundation, conduct research to inform industry improvements, foster Brand membership and utilization, and provide Branding expertise to promote success in export markets.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
7,543,746	7,541,930	(1,816)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
36	31	(5)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Canada Brand members earn greater revenue per unit sold than their competitors	Value per volume of Canadian exports into all markets compared to value per volume of imports of other suppliers to all markets	Ratio needs to be ≥ 1 by December 31, 2017	1.07 between 2010 and 2013

Performance Analysis and Lessons Learned

In view of the transformative vision for agriculture set out in *Growing Forward 2*[iv], the Canada Brand Program[xxxix] has shifted direction to promote greater industry leadership and action in fostering commercial success. In this regard, the Department's Canada Brand functions are now limited to maintaining Brand membership, managing logos and graphics, and making available key messaging on sector advantages that differentiate Canadian food from competing products. Activities related to retail and international promotions can now be undertaken by industry, with support from the grants and contributions funding of the AgriMarketing program. Between 2010 and 2013, Canada's exports growth surpassed world imports growth.

Sub-Program 2.3.3: Sector Competitiveness

Description: Government has an important role to play in creating the right conditions for Canadians and Canadian business and organizations to thrive. Sector expertise, management of cross-sectoral issues, and unbiased advice continue to be critical functions and assist the sector in maximizing its long-term profitability and competitiveness. This includes the provision of: (1) the necessary tools (e.g., market/sector data, intelligence, analysis); and (2) a mechanism for the full value chain to develop and implement sectoral strategies to optimize industry returns.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
82,019,509	59,628,162	(22,391,347)

Actual Spending was less than Planned Spending primarily due to the Canadian Wheat Board Transition Costs program; costs varied from original estimates and resulted in actual expenditures being lower than planned expenditures.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
176	151	(25)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Economically sustainable domestic food industry better capable of predicting and responding to consumer demands	Percentage of national commodity groups that have implemented comprehensive strategies (baseline in 2011 = 10%)	75% by March 31, 2018	27% as of March 31, 2014

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada continued to help address key industry challenges and establish priorities and strategies to improve Canadian competitiveness and profitability. For example, the Department continued to work with federal and provincial officials, representatives from the beekeeping, horticulture, grains, oilseeds, and seeds sectors, industry service providers, and experts in the field, to pursue collaborative action in specific areas to address risks and opportunities related to bee health and pollination of important crops, and to ensure a sustainable future for agriculture and beekeeping.

In addition, the Department put in place a Labour Task Force in response to all agricultural sectors identifying labour shortages as impeding their competitiveness. The sector also identified regulatory issues as a competitiveness challenge, leading to the creation of the Regulatory Sub-Committee.

Sub-Sub-Program 2.3.3.1: Sector Development and Analysis

Description: The Sector Development and Analysis program develops and maintains working relationships with national and regional agriculture and food associations, and individual companies in order to resolve barriers to growth and competitiveness, including horizontal issues. The Sector Development and Analysis program undertakes sectoral technical analysis in the development and operations of Agriculture and Agri-Food Canada programs and policies and provides market data, analysis and benchmarking to facilitate market development for the agriculture and agri-food industry and related stakeholders.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
22,724,637	21,812,368	(912,269)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
164	141	(23)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Reduction in the identified barriers to growth and competitiveness	Percentage of barriers to growth and competitiveness where progress is made between March 2013 and March 2018	50% by March 31, 2018	20% as of March 31, 2014

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada continued to work with the industry to resolve barriers to growth and competitiveness. In doing so, the Department ensured timely provision of market information through various targeted, sector-specific reports as well as daily, weekly and monthly reports. For example, its market information reports assisted the horticultural sector in making sound and timely business decisions relating to planting, marketing, selling timelines, and targeting research efforts to remain competitive in this global market.

Sub-Sub-Program 2.3.3.2: International Pork Marketing

Description: The International Pork Marketing initiative provides funding for the Pork Legacy Funding Agreement, increased funding to the Market Access Secretariat and funding to support market access activities of the Canadian Food Inspection Agency. These three components assist in the recovery and expansion of the international market for Canadian pork, support the recovery of markets that closed due to H1N1 (virus) and support the favourable positioning of Canada as a preferred supplier of high-valued pork products.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
934,917	0	(934,917)

Actual Spending for this program was reflected under another sub-program, 2.3.1, Trade Negotiation and Market Access. Also, the International Pork Marketing initiative sunset in 2013–14.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increase in volume of annual pork exports	Volume of pork exported annually (measured in metric tonnes) Baseline at program start in 2008 = 1.09 million metric tonnes	1.2 million by March 31, 2014	1.2 million in 2013–14

Performance Analysis and Lessons Learned

The International Pork Marketing Fund, led by Canada Pork International, was concluded in 2013–14. Over its duration, the Fund helped encourage the sustained development of Canadian pork exports as a differentiated, high-value product. These efforts were successful in that the Canadian pork story – the foundation for Canada's differentiation strategy – was considerably refined and a more focused international market development effort was implemented. Challenges to Canadian pork exporters included reduced Canadian hog inventories brought on by the unprofitable situation facing producers in 2008–10 and ongoing market access challenges in key markets such as Russia and China.

Sub-Sub-Program 2.3.3.3: Canadian Cattlemen's Association Legacy

Description: The Canadian Cattlemen's Association Legacy is a $50,000,000 grant program to support critical market development activities through the Canadian Cattlemen's Association Legacy Fund. The grant is paid out in up to 10 annual instalments of up to $10,000,000 per year beginning in 2005–06 based on annual Canadian Cattlemen's Association Legacy Fund business plan requirements. The purpose of this fund is to support critical market development activities that help address the chronic decline in beef exports as a result of trade restrictions, and to help reduce the beef industry's dependence on the United States market. The grant will be used to

support international and domestic marketing campaigns to reclaim and expand markets for Canadian beef and beef genetics.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
2,500,000	4,453,481	1,953,481

Actual Spending is higher than Planned Spending due to the activity undertaken by the Canadian Cattlemen's Association.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increase in beef exports in targeted markets	Beef exports to targeted markets (measured in metric tonnes) Baseline in 2001 (tonnes): Beef and Veal Exports US - 361,113 Mexico - 73,634 Japan - 0 Hong Kong/Macau - 6,678 Taiwan - 0 The Beef Legacy began April 1, 2005 and ends March 31, 2015	United States - 299,622 Mexico - 53,070 Japan - 13,610 Hong Kong/Macau - 21,150 Taiwan - 3,035 by March 31, 2015	United States - 279,870 Mexico - 17,845 Japan -15,845 Hong Kong/Macau - 26,683 Taiwan - 605 by March 31, 2014

Performance Analysis and Lessons Learned

The 10-year Beef Legacy Fund, with contributions from the Governments of Canada and Alberta, and from the cattle and beef sectors, concluded is ninth year in 2013–14. To date, it has provided an excellent resource to the beef industry, helping it recover from sanctions resulting from the discovery of Bovine Spongiform Encephalopathy in the Canadian herd, the appreciation of the Canadian dollar, the 2008–09 economic recession, and the introduction of mandatory country of origin labelling by the Government of the United States.

The beef industry has merged its domestic and export marketing arms and national check-off agency into a single group. This has enabled not only a reduction in overhead but, more importantly, a consistent focus on developing the Canadian beef brand – "Canada Beef Advantage."

The challenges that have faced the beef industry over the past 10 years have resulted in a decline

in cattle inventories and beef production. These lower production levels, combined with excellent demand in the Canadian market place, have resulted in less tonnes of beef being available for export market. As a result, industry has refocused its export market development program on increasing the value of Canadian beef exports and not simply the tonnage exported.

Sub-Sub-Program 2.3.3.4: Value Chain Round Tables

Description: The Value Chain Round Tables seek to increase collaboration among value chain members to improve competitiveness and market success. Value Chain Round Tables activities include partnering with industry to develop and implement strategies to increase sector competitiveness. These initiatives help the sectors represented by roundtables to differentiate their industries from competitors so they can capitalize on current and future market opportunities.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
1,825,795	2,067,748	241,953

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
12	10	(2)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Canadian agriculture and agri-food industry are addressing priority issues that will help advance their competitiveness	The number of competitiveness issues responded to annually by Value Chain Round Tables Baseline in 2008 = 20 competitiveness issues	20 issues responded to by March 31, 2014 (20 within fiscal year 2013–14)	More than 40 priority issues were dealt with in 2013–14

Performance Analysis and Lessons Learned

The industry-led Value Chain Round Tables[xl] continued in 2013–14 to offer a forum to develop and advance Canada's agriculture and agri-food competitive agenda, bringing together stakeholders from across the value chain, along with provincial and federal government representatives. For example, the Grains Round Table[xli] continued to play a key role in furthering the sector's knowledge on mycotoxin contaminants that will inform federal decisions on maximum limits for mycotoxins presence in grains. This roundtable has also played a leadership

role in Canada's proposed implementation framework to manage low-level presence of genetically modified organisms in grain.

Sub-Sub-Program 2.3.3.5: Canadian Wheat Board Transition Costs Program

Description: The purpose of this program is to reimburse specific costs incurred by the Canadian Wheat Board associated with its transition to a voluntary grain marketing organization, which it became on August 1, 2012. The Canadian Wheat Board Transition Costs Program will provide grant and contribution payments to the Canadian Wheat Board in order to cover cost items related to the removal of its single desk selling authority for Western Canadian wheat and barley. They include costs of right-sizing of the Canadian Wheat Board, such as settling the Canadian Wheat Board's monopoly-era pension and benefits plans and some severance costs; legacy debts; the cost of mitigating or terminating long-term logistical contracts entered into during the Canadian Wheat Board's monopoly; post July 31st costs of closing the 2011–12 pool accounts; and other transition costs. This program provides grant and contribution payments to the Canadian Wheat Board of up to $349 million to cover cost items related to removing the single desk selling authority from the Canadian Wheat Board.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
54,034,160	31,294,565	(22,739,595)

Actual Spending was less than Planned Spending due to the variance of program costs from original estimates.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
The Canadian Wheat Board is in a financial position to successfully privatize	Number of completed program elements for which the Canadian Wheat Board has received transition funding Baseline established in 2012 = zero (0)	9 program elements completed over the period 2012 to 2017 by March 31, 2017	4 of the 9 program elements were finalized by March 31, 2014

Performance Analysis and Lessons Learned

In the 2011 Speech from the Throne, the Government announced legislation to ensure Western Canadian farmers had the freedom to sell wheat and barley on the open market. The legislation received Royal Assent on December 15, 2011, and removed the sole marketing authority of the Canadian Wheat Board[xlii] for wheat and barley in Western Canada effective August 1, 2012.

In June, 2012, the Canadian Wheat Board Transition Costs Program was announced to reimburse the Board for specific transition costs (of up to $349 million) as it moved toward a voluntary grain marketing organization. The Canadian Wheat Board Transition Costs Program provides support for the Board's transition by reimbursing specific monopoly-era costs so that it will be in a better position to be a viable marketing alternative for farmers.

The Department continues to work with the Canadian Wheat Board as it transitions its operations and provide reimbursement for eligible costs claimed within the program elements as the organization moves towards privatization.

Sub-Program 2.3.4: AgriFlexibility – Increased Market Demand

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

The Increased Market Demand component of AgriFlexibility provides funding to industry associations representing national/regional commodities in order to enhance market access, overcome trade barriers, capture market opportunities, develop and expand markets for value added products. Under AgriFlexibility – Increased Market Demand contribution funding is provided to successful applicants to expand or recapture market access for Canadian food and agriculture products and to increase domestic and international demand for Canadian food and agriculture products.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
11,981,338	9,090,543	(2,890,795)

Difference in financial resources is largely due to a realignment among AgriFlexibility programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
5	4	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Agri-industry implements actions to respond to market threats and/or take advantage of emerging market opportunities	Number of new products created Baseline established in 2009 = zero (0)	24 over the period June 1, 2009 to March 31, 2014	79
Increase in value chain efforts focused on innovation and/or adaptation	Number of value chains developed through AgriFlexibility Baseline established in 2009 = zero (0)	8 over the period June 1, 2009 to March 31, 2014	11

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded as of March 31, 2014. This sub-program, which funded three initiatives, met its targets. One of the initiatives, the Canada-Alberta New Products in New Markets, which resulted in numerous new food products, exceeded its own targets and accounts for all the variance in the number of new products created under the sub-program. This initiative was designed to position Alberta agriculture and agri-food processors for success in the following priority international markets: United States, Japan, Mexico, China, Hong Kong, Taiwan, South-Korea, and Europe. The Canada-Alberta New Products in New Markets Initiative, resulted in 68 new products to meet demand in foreign markets in its first three years. The fact that project partners were able to launch the initiative early helped in achieving the program objectives.

Sub-Program 2.3.5: AgriFlexibility – Canada Brand Advocacy

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

AgriFlexibility – Canada Brand Advocacy Initiative focuses exclusively on consumer-oriented activities in international markets where damage has been done to the Canadian market share or where there are opportunities to grow our exports. Unlike other activities undertaken in the past,

promotions will be specific and sustained, targeted directly to consumers in identified priority countries. The main steps in the Canada Brand Advocacy Initiative are the selection of markets, detailed market research to inform a targeted campaign, development and implementation of a multi-channel consumer-oriented advocacy campaign, and post-campaign evaluation. The expected result is the limiting or reversal of the impact of a specific threat (through regained market share/export levels) or the increased export of food/beverage products.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
4,727,025	3,586,513	(1,140,512)

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1	1	0

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Increased exports of Canadian products in selected markets with growth opportunities	Increased export value of consumer-oriented products as measured from the start of Canadian Brand Advocacy activities-Mexico Baseline in 2008 - Mexico = $302 million	Mexico: $315 million by March 31, 2014	Mexico: Increase of $399.3 million by March 31, 2014
Increased exports of Canadian products in selected markets with growth opportunities	Increased export value of consumer-oriented products as measured from the start of Canadian Brand Advocacy activities-Japan Baseline in 2008 – Japan = $1.1 billion	Japan: $1.14 billion by March 31, 2014	Japan: Increase of $1.02 billion by March 31, 2014

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded as of March 31, 2014. However, the gains from activities under the Initiative have provided a strong foundation for industry and the provinces that are already stepping forward to leverage the successes to advance their own distinct needs.

Several activities were organized in Mexico and Japan, two priority markets, over the year, including special events, and retail and restaurant promotions to increase consumer demand for Canadian products. Due to the significant number of variables that impact aggregate trade data, increased consumer demand for Canadian food and beverage products attributable to Canada Brand Advocacy Initiative activities is measured at the event and activity sales level. However, the most recent data from April 2014 for Mexico exports shows an increase of $399.3 million in export value since 2008. In Japan, exports have increased by $1.02 billion since the same year, which is below the target set of $1.14 billion. Three main factors accounted for this shortfall: the appreciation of the Canadian dollar, limited supply capacity of the Canadian industry and the grains logistical issues in late 2013.

Sub-Program 2.3.6: Cost-shared Trade and Market Development

Description: Federal/provincial/territorial programming assists the Canadian agricultural sector to identify new domestic and global opportunities and markets to enhance competitiveness and prosperity. Analysis of new and emerging market trends and sharing of market information between federal/provincial/territorial governments and stakeholders allow industry to adapt to increase their market competiveness.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
25,735,000	11,961,258	(13,773,742)

Difference in financial resources is primarily due to realignment among *Growing Forward 2* cost-shared programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
8	7	(1)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Canadian exporters are better prepared for market opportunities in priority markets	Number of implemented projects that support sector marketing strategies and agriculture awareness strategies Baseline established in 2013 = zero (0) as many Provinces/Territories are launching new projects in Trade and Markets for *Growing Forward 2*	30 over the period April 1, 2013 to March 31, 2018	Provincial and territorial annual performance data to be provided in 2014–15

Performance Analysis and Lessons Learned

Each province and territory has the flexibility to design and implement programming which is tailored to meet diverse regional needs.

In 2013–14, provinces and territories implemented *Growing Forward 2*[iv] cost-shared competitiveness and market development programming which includes developing and disseminating market intelligence; providing advisory and consulting services on export development activities, and facilitating participations in trade shows.

As this is the first year of the program, no results are yet available. Provincial and territorial annual performance data for 2013–14 are expected to be available in 2014–15.

In July 2013, Agriculture and Agri-Food Canada completed the *Evaluation of the Cost-Shared Non-Business Risk Management Contribution Programming under Growing Forward*[xv]. The programs administered by provinces and territories included programming to support trade and market development. The evaluation found that a small number of provincial and territory administered trade and market development programs were funded under *Growing Forward*, which complemented federally administered programs in this area. Given that the trade and market development programs were not a significant component of provincially administered cost-shared programming, it appeared to have had relatively modest contribution to overall *Growing Forward* program benefits.

Under *Growing Forward 2*, Competitiveness and Market Development has been made a priority area and eligible activities have been extended to include international and local market development activities.

Program 2.4: Regulatory Efficiency Facilitation

Description: This program involves collaborating with industry and regulatory agencies to address domestic regulatory-related gaps and issues that impede competitiveness. It helps facilitate industry-responsive regulatory modernization, and assists sector stakeholders to work within existing regulatory infrastructures and adapt to new approaches to regulation. These objectives are achieved through three areas of activity: 1) Pest Management: Pesticides Minor Use Program, 2) Pest Management: Pesticides Risk Reduction Program and 3) Facilitating Industry Adaptation to Regulatory Modernization.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
16,902,621	16,902,621	17,337,631	11,336,464	(5,566,157)

Differences in financial resources are primarily due to realignment among programs, limited contractor capacity, and program implementation timing.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
62	54	(8)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Agriculture, agri-food and agri-based products sector is able to adapt to a changing regulatory environment	Percentage of producers of horticultural and specialty crops that feel Agriculture and Agri-Food Canada has assisted in addressing crop protection needs Baseline = 60% based on discussions with growers and grower groups at the Minor Use Priority Setting Workshop, at the start of *Growing Forward* (2008–09)	60% over the period April 1, 2013 - March 31, 2018	An assessment will be conducted in 2018 to evaluate the impact of Agriculture and Agri-Food Canada's contribution to addressing crop protection needs
Agriculture, agri-food and agri-based products sector is able to adapt to a changing regulatory environment	Number of new ingredients and product attributes in the marketplace Baseline for *Growing Forward* programming (2008–13) = 6	10 over the period April 1, 2013 to March 31, 2018	1 new product attribute has been introduced to the marketplace during the 2013–14 period

Performance Analysis and Lessons Learned

An objective of this program area is to improve sector competitiveness by encouraging effective participation in the government's regulatory modernization efforts, through information, advice and analysis. Building on the activities under the *Growing Forward* Agricultural Regulatory Action Plan, in 2013–14 there was additional emphasis on helping the sector adapt to new policies, approaches, procedures, and requirements introduced as governments work to modernize regulations. Food processors were encouraged through targeted communication to comment on regulatory modernization proposals, particularly initiatives related to the *Safe Food for Canadians Act*[xliii]. As details of the regulatory proposal are available, assessment of the impact on food sector competitiveness will be more apparent. In addition, efforts have been made to harmonize the registration of Minor Use Pesticides.

Advice provided to industry by Agriculture and Agri-Food Canada resulted in a health claim submission in 2013–14 on the cholesterol-lowering effects of ground flaxseed that met regulatory requirements. New food product launches and expanded use of flax as an ingredient have occurred following the approval of the new claim in January 2014. Further efforts in this program area should result in achieving the March 31, 2018 target for new foods, ingredients, claims, and product attributes introduced into the Canadian marketplace.

Sub-Program 2.4.1: Pest Management – Pesticides Minor Use Program

Description: Jointly delivered by Agriculture and Agri-Food Canada and Health Canada, this program improves grower access to new minor uses of pesticides. Pesticide residue, efficacy, and crop tolerance studies are conducted to generate and submit regulatory data packages to Health Canada for new minor uses of pesticide products. In addition, collaborative work with United States colleagues results in joint pesticide submissions to the regulatory agencies of both countries and the simultaneous availability of new pesticide minor uses in both countries. The increased availability of new minor use pesticides prevents trade barriers with countries where these products are already available.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
10,451,227	7,760,420	(2,690,807)

Difference in financial resources is primarily due to limited contractor capacity and program implementation timing.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
40	35	(5)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
New minor uses of pesticides available to growers	Number of new minor uses of pesticides registered through a dedicated minor use review process by the Pest Management Regulatory Agency per year, including harmonized uses Baseline for the period 2008–13 = 170	170 by March 31, 2018	291

Performance Analysis and Lessons Learned

An objective of this sub-program area is to improve sector competitiveness by providing farmers with the tools to protect their crops from pests, diseases and weeds. Agriculture and Agri-Food Canada continued to help farmers to access new minor uses of pesticides. In addition, during 2013–14, there was increased emphasis on harmonization efforts with the United States under the Regulatory Cooperation Council initiative involving Health Canada's Pest Management

Regulatory Agency, the United States Interregional Project and the United States Environmental Protection Agency.

In May 2013, the Department's *Evaluation of the Minor Use Pesticides Program*[xliv] reported that the program addressed regulatory issues facing the agricultural sector and supported the achievement of *Growing Forward*'s strategic outcome of a competitive and innovative sector. The Minor Use Pesticides Program substantially increased the availability of new minor uses of pesticides in Canada by consistently exceeding its targeted number of registration submissions, number of registrations reviewed and number of minor uses registered.

Sub-Program 2.4.2: Pest Management – Pesticides Risk Reduction Program

Description: Under the Pesticide Risk Reduction program, Agriculture and Agri-Food Canada develops technologies, tools (including biopesticides), and techniques aimed at reducing the risk to the environment and human health posed by pesticide use. The increased availability of biopesticides and reduced risk technologies, products and techniques contribute to sustainable agriculture. Collaboration with counterparts at Health Canada assists with targeting reduced risk alternatives to pesticides whose registration are being phased out due to toxicity.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
3,758,267	1,223,989	(2,534,278)

Difference in financial resources is largely due to a realignment among Programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
7	6	(1)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Reduced risk tools and approaches available to growers	Number of reduced risk pest management tools developed/registered/ communicated to growers Baseline for Agricultural Policy Framework programming = 15 over 5 years (2003–08); Baseline for *Growing Forward* programming = 25 over 5 years (2008–13)	25 new over the period April 1, 2013 to March 31, 2018	5 new pest reduced risk tools made available to growers during the 2013–14 period

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada continues to work with stakeholders to identify and support pesticide risk-reduction solutions for priority issues. It has developed risk-reduction action plans and supported research leading to reduced-risk pest management tools and approaches to address potential risks posed by pesticides. It has also provided support to growers to establish national priorities for the registration of biopesticides products and collaborated with Health Canada's Pest Management Regulatory Agency to support alternatives to pesticides being phased out. In addition, it has supported research to fill key knowledge and technology gaps in pest management and will use communication tools and demonstration projects aimed at producers.

A decision-support system was developed to guide growers regarding the amount of time required for specific pesticide applications before unacceptable thresholds are reached. This will help reduce the amounts of pesticides applied to crops.

Sub-Program 2.4.3: Facilitating Industry Adaptation to Regulatory Modernization

Description: The Facilitating Industry Regulatory Adaptation program is aimed at helping the sector adapt to a changing domestic regulatory environment through collaboration with industry and regulatory agencies. Activities include identifying, prioritizing, researching and analyzing the impacts of regulatory issues and modernization-related changes affecting sector competitiveness; providing information and advice to stakeholders to help them navigate and fulfill the science-based regulatory requirements for foods and ingredients; and evaluating options for industry-led alternatives to agriculture and agri-food regulation in areas (for example, product quality/efficacy attributes) where government agencies, such as Canadian Food Inspection Agency, are shifting their role in favour of focusing on core health/safety mandates, yet where buyer confidence is essential to maintaining competitive advantage and market access.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
2,693,127	2,352,055	(341,072)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
15	13	(2)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Stakeholders are aware of regulatory issues and requirements, and have access to strategies and tools to manage the changes associated with regulatory modernization	Number of regulatory issues identified and analyzed Baseline info based on Food Regulatory Issues Division internal records; stakeholder input Baseline for *Growing Forward* programming (2008–13) = 9	10 over the period April 1, 2013 to March 31, 2018	16 issues identified and analyzed in 2013–14
Stakeholders are aware of regulatory issues and requirements, and have access to strategies and tools to manage the changes associated with regulatory modernization	Number of stakeholders receiving guidance and advice Baseline indirect for *Growing Forward* programming (2008–13) = 1,200 Baseline direct for *Growing Forward* programming (2008–13) = 65	1,265 by March 31, 2018	170 during 2013–14
Stakeholders are aware of regulatory issues and requirements, and have access to strategies and tools to manage the changes associated with regulatory modernization	Number of industry and government collaborations leading to new tools/strategies Baseline for *Growing Forward* programming (2008–13) = 15	15 over the period April 1, 2013 to March 31, 2018	7 in 2013–14

Performance Analysis and Lessons Learned

In view of the transformative vision for agriculture set out in *Growing Forward 2*[xlv] policy framework, the Facilitating Industry Regulatory Adaptation Program[xlv] has shifted direction to promote greater industry leadership and responsibility in adapting to the regulatory environment.

Agriculture and Agri-Food Canada continued to work with industry to evaluate the relevance of regulations, identify alternatives, assess the impact of changes, and increase understanding of regulatory processes and requirements. These efforts helped the sector to meet buyer expectations, ensure market access and maintain competitive advantage. Industry stakeholders were made aware of regulatory issues and requirements, and had access to information to help them manage the changes associated with regulatory modernization.

The Department also continued to work directly with the Canadian Food Inspection Agency[xxxi] and Health Canada[xlvi] to ensure that regulatory modernization activities address industry needs and account for the impact of changes on industry innovation and competitiveness.

Program 2.5: Farm Products Council of Canada

Description: Established under the *Farm Products Agencies Act* (the Act), the Farm Products Council of Canada is a unique public interest oversight body that reports to Parliament through

the Minister of Agriculture and Agri-Food (the Minister). The Act provides for the creation of national marketing agencies, which are not subject to the *Competition Act*, as well as promotion-research agencies. The Farm Products Council of Canada supervises these agencies, and works with them to ensure that the supply management system for poultry and eggs and promotion-research activities for beef cattle work in the balanced interest of all stakeholders, from producers to consumers, and can evolve to respond to current and future challenges. The Farm Products Council of Canada also provides advice and recommendations to the Minister, collaborates with provincial supervisory boards and actively works with the department and Agriculture and Agri-Food Portfolio organizations.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
2,659,276	2,659,276	3,526,875	2,869,840	210,564

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
24	23	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The domestic market share of Canadian producers of chicken, eggs, hatching eggs and turkey is stable or increasing	Domestic market share of Canadian producers of chicken, eggs, hatching eggs and turkey Baseline March 2012 = Chicken 85.4%, Eggs 94%, Hatching Eggs 82.4%, Turkey 94.9%	80% by March 31, 2014	Chicken: 84.3% Eggs: 90.7% Hatching Eggs: 85.6% Turkey: 94.7%
Consumer prices for chicken, eggs and turkey are more stable than those of other animal protein and consistent with those of other food prices	Relative consumer price variations for chicken, eggs and turkey are consistent with those of food prices Baseline March 2012 = Chicken 4.2%, Eggs 9.8%, Turkey 1.8%, All Foods 4.6%	Consumer price variations for chicken, eggs and turkey are within plus or minus 10 percentage points of that of other agricultural products by March 31, 2014	Chicken: 1.7% Eggs: 3.0% Turkey: 2.7% All foods: 1.2%
Consumer prices for chicken, eggs and turkey are more stable than those of other animal protein and consistent with those of other food prices	Relative consumer price variations for chicken, eggs and turkey are smaller than those of other animal protein Baseline March 2012 = Chicken 4.2%, Eggs 9.8%, Turkey 1.8%, Pork 10.7%, Beef 8.3%	Consumer price variations for chicken, eggs and turkey are smaller than those of other animal protein by March 31, 2014	Chicken: 1.7% Eggs: 3.0% Turkey: 2.7% Pork: 2.4% Beef: 2.9%

Performance Analysis and Lessons Learned

The Farm Products Council of Canada[xlvii] continued in 2013–14 to work with and supervise Canada Beef, Canadian Hatching Egg Producers, Chicken Farmers of Canada, Egg Farmers of Canada, and Turkey Farmers of Canada by having due regard to the interests of producers and consumers of the regulated products.

During the reporting period, producers in the supply-managed sectors of poultry and egg industries maintained their relative domestic market share above the target 80% threshold. The Consumer Price Index for chicken, eggs and turkey rose by 1.7%, 3.0% and 2.7% respectively. Although these increases were larger than that of food in general (1.2%), they were lower than their respective four-year average (2.3%, 5.2% and 3.6%). Also, the bulk of these increases can be attributed to soaring feed prices, the principal input cost in poultry and egg production. Increased feed costs also contributed to the price increases observed in other meat industries such as beef (2.9%) and pork (2.4%).

Throughout 2013–14, Farm Products Council of Canada continued to implement its 2012–15 Strategic Plan. In particular, the Farm Products Council of Canada continued to encourage commodity groups to take greater ownership of their research priorities, by sharing information on establishing promotion-research agencies. The Farm Products Council of Canada received two requests for the creation of agencies under part III of the *Farm Products Agencies Act*[xlviii] one from the Raspberry Industry Council and one from the *Association des producteurs de fraises et de framboises du Québec*; and conducted public hearings to examine these proposals during the reporting period.

Strategic Outcome 3: An innovative agriculture, agri-food and agri-based products sector

Sector innovation includes the development and commercialization of value-added agricultural-based products, knowledge-based production systems, processes and technologies, and equipping the sector with improved business and management skills and strategies to capture opportunities and to manage change. Such innovation is vital for ongoing growth and improvement in the productivity, profitability, competitiveness and sustainability of Canada's agriculture, agri-food and agri-based products' sector and its rural communities.

Program 3.1: Science, Innovation and Adoption

Description: Agriculture and Agri-Food Canada contributes to the competitiveness of the agriculture, agri-food and agri-based products sector by supporting innovation designed to improve profitability in new and existing products, services, processes and markets. Coordinated and informed decision-making is supported with strategic foresight, research, and information sharing that contributes to integrated planning engaging industry, government and academia. Collaborative action is promoted to accelerate the flow of science and technology along the innovation continuum in support of industry defined strategies for future success. Farmers, agri-

entrepreneurs and agri-based small, medium and large sized enterprises are supported in their efforts to adopt new technologies and commercialize new products and services. Pathfinding and transformational research help to define future opportunities and prepare the sector for emerging opportunities and challenges.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
300,084,553	325,819,553	477,329,589	442,238,382	116,418,829

Differences in financial resources are primarily due to a realignment among Programs, one-time amounts paid as a result of the recent restructuring, and amounts carried forward from 2012-13.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1,488	1,776	288

Actual Full-Time Equivalents are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Agriculture and agri-food sector that utilizes science to improve or transform commodities into new value-added products	Increase in Agriculture Net value-added ("value-added" is a Statistics Canada measure of Canadian value-added gross domestic product) Baseline of Agriculture net value-added in 2010 = $11.0 billion	$12.3 billion by March 31, 2018	Canada's Agriculture Net value-added increased to $21.5 billion for the 2013 calendar year. The large increase compared to other years is a result of large crop inventories from the record 2013 crop Note: Estimate is based on Agriculture and Agri-Food Canada data modeling; Statistics Canada will produce the 2013 estimate in November 2014

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada contributes to the sector through advances in scientific knowledge, accelerating the pace of innovation, developing new technologies, and supporting the research and development to transform commodities into value-added products that address current and emerging issues. Focused fundamental research in areas like genomics, biodiversity, sustainable agriculture, enhanced food attributes and mitigation of threats to the food production system, are helping the sector to take advantage of emerging opportunities.

Spending under this program includes work by Agriculture and Agri-Food Canada researchers under *Growing Forward 2*[iv] Agri-Science Project and Agri-Science Clusters initiatives, as well as government contribution funding under innovation and adaptation programming. In 2013–14, 39 industry-led agreements were signed under the Agri-science project and Agri-science Clusters initiatives.

As an example, departmental scientists working under the Beef Cattle Industry Science Cluster at Lacombe, Alberta, with collaborators at Alberta Agriculture, identified strategies to maximize forage nutrient yield and minimize daily winter-feeding costs. Results from this trial suggest that swath grazing triticale can reduce winter feeding costs by over $100 per cow compared to wintering cows for 100 days in a corral. This has significant implications for Canada's beef industry, as reducing total winter-feeding costs by as little as 1% would save Canada's cow-calf sector $6 million annually.

Through the AgriInnovation Program's Enabling Commercialization and Adoption Stream, Agriculture and Agri-Food Canada is contributing to agricultural innovations moving to the market. By the end of 2013–14, eight projects were approved and applications continue to be received from a broad range of sectors including food processing, bioproducts, agri-technology, dairy and beef.

Other examples of the ways in which Agriculture and Agri-Food Canada science is working on behalf of farmers, processors and consumers at home and abroad are described in detail online [xlix].

In February 2013, the Department completed the *Evaluation of Agriculture and Agri-Food Canada's Innovation and Adaptation Programs*. The evaluation assessed the relevance and performance of the following two *Growing Forward* programs Canadian Agri-Science Clusters and Developing Innovative Agri-Products; and the Canadian Agricultural Adaptation Program. Although each program was unique, the evaluation found that all three programs helped to address barriers to commercialization by prioritizing the link between innovation and product development by converting applied research into commercial products. The programs' projects and activities covered a wide range of commodities across regions in keeping with a balanced approach to innovation. The evaluation concluded that the program was making progress towards achieving its outcomes as projects advance products towards commercialization.

Sub-Program 3.1.1: Science Supporting Agricultural Innovation

Description: Agriculture and Agri-Food Canada prepares for emerging opportunities through focused fundamental research and development in support of industry capacity to enhance human health and wellness through food, nutrition and innovative products, and to develop new opportunities for agriculture from bioresources. The program creates new knowledge, supporting development of processes, products or technologies to accelerate the flow of science and technology results into the innovation continuum.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
126,489,318	246,037,781	119,548,463

Difference in financial resources is primarily due to a realignment among Programs, one-time amounts paid as a result of recent restructuring, and amounts carried forward from 2012–13.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1,217	1,452	235

Actual Full-Time Equivalents are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Knowledge is advanced to address emerging opportunities in the areas of bioactives and new biobased products	Number of peer reviewed publications submitted, in preparation, and/or published for "closed" research projects under this activity Baseline from 2011–12 Branch Performance Report covering the period from 2008–12 = 70	70 new over the period April 1, 2013 to March 31, 2018	48 Peer Reviewed Publications have been submitted or published under this research activity for closed projects during the 2013–14 period

Performance Analysis and Lessons Learned

Focused research in this area has enhanced agricultural product attributes, provided support to industry capacity to enhance human health and wellness through food, nutrition and innovative products, and developed new opportunities for agriculture from bioresources.

For example, departmental scientists have developed a low glycemic potato. Low glycemic index foods digest slowly, without creating a big spike of sugar and insulin in the body. This helps to achieve sustainable weight loss and improved management of diabetes. Further trials will tell whether it could open up new menu possibilities for diabetics and others with low glycemic diets. If so, it would provide new markets for farmers and enhance their competitiveness.

A second example is a new wheat variety now available to farmers, AC™ Emerson, the first Canadian wheat variety of any type registered and rated "R" (resistant) to fusarium head blight, a fungus that can devastate crops. Scientists at the Lethbridge Research Centre in Alberta developed this new variety, which is also resistant to stem rust, leaf rust and stripe rust. With good winter survival, moderate maturity, and strong, medium height straw, AC™ Emerson also has 1% higher protein concentration and better milling characteristics than the current varieties grown in the prairies.

A third example is a breakthrough by departmental researchers in the global effort to protect world wheat crops from Ug99, a potentially devastating wheat stem rust that has affected crops from Africa to western Asia, and is threatening global wheat supplies. By identifying two genes with high resistance to Ug99, these researchers were able to link molecular markers to these resistant genes that are now available for use in wheat breeding efforts.

Sub-Program 3.1.2: Canadian Agriculture Adaptation

Description: The objective of the Canadian Agricultural Adaptation Program is to facilitate the agriculture, agri-food, and agri-based products sector's ability to seize opportunities, to respond to new and emerging issues and to pathfind and pilot solutions to new and ongoing issues in order to help it adapt and remain competitive. There are two types of delivery mechanisms: industry councils in each province and territory fund projects in their region; the Adaptation Division of Agriculture and Agri-Food Canada funds projects that are national in scope. Industry councils can also act collectively by undertaking multi-regional projects (collective outcomes). Target clients are: individuals, not-for-profit organizations and associations; cooperatives; marketing boards; aboriginal groups and for-profit companies.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
29,830,600	16,902,299	(12,928,301)

Overall, but especially in the last year of the program, the Councils delivering the regional component of Canadian Agricultural Adaptation program were very selective in the types of projects they approved to ensure that all industry projects were a priority for the sector, and could be successfully completed prior to the end of the program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
8	10	2

Actual Full-Time Equivalents are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Improved knowledge of solutions/strategies analyzed/tested to address issues/opportunities	Number of projects that analyze/test solutions and strategies to address issues and opportunities Baseline established in 2008 = zero (0) as these indicators were not measured in the past	490 over the period from June 1, 2009 to March 31, 2014	651
Improved knowledge of potential innovative products, processes or technologies	Number of projects testing or analyzing innovative products, processes or technologies Baseline established in 2008 = zero (0) as these indicators were not measured in the past	260 over the period from June 1, 2009 to March 31, 2014	448

Performance Analysis and Lessons Learned

The Canadian Agricultural Adaptation Program concluded as of March 31, 2014, exceeding its targets for both performance indicators, with 651 projects developing solutions and strategies to address issues and opportunities and 448 projects developing innovative products, processes or technologies. For example, with program funding, the Alberta Farm Animal Care developed the Canadian Livestock Transport Certification Program, a comprehensive training course for livestock truckers, shippers and receivers. This certification program addresses the demand of the increasing number of processing facilities across North America that are demanding proof of competence/certification in livestock and poultry hauling.

Targets presented above were set early in the program's life, at a time when total financial commitments under projects were significantly lower than allocations for some industry councils and for the national component of the program. After setting those targets a request for reprofiling was granted, allocations were adjusted and project approval and commitments increased.

Sub-Program 3.1.3: AgriFlexibility – Science Addressing Market Opportunities and Challenges

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

AgriFlexibility – Science Addressing Market Opportunities and Challenges provides funding to develop scientific knowledge or new technology to: transform commodities into new value-added or bioeconomy market opportunities; enable the production of new products; respond to a market challenge; or to improve product quality for activities and recipients not eligible under other Agriculture and Agri-Food Canada programming.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
3,966,823	2,510,380	(1,456,443)

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs. In addition, Actual Spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under the following sub-programs: 2.3.4 AgriFlexibility – Increased Market Demand and 3.1.4 AgriFlexibility – Agri-based Processing.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Maintain or increase value-chain innovation and adaptation; producers/partners exploit existing and develop new opportunities	Number of innovations developed Baseline established in 2009 = zero (0)	133 over the period from June 1, 2009 to March 31, 2014	110

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded as of March 31, 2014. This sub-program funded five initiatives that generated, together, 110 innovations. While this sub-program generated numerous innovations, it did not meet its target as of March 31, 2014. Some funded activities started later than planned and had lower uptake than anticipated. While funding has ceased, and projects are completed, one initiative funded the upgrade of a food centre in Manitoba that is still in operation and may provide further innovations. At the Centre, scientists and food engineers assist entrepreneurs with food-product ideas to bring new products to the markets. This food centre, operating on a fee-for-service basis, will result in additional innovations. The target number of innovations may still be reached, but at a later date.

Sub-Program 3.1.4: AgriFlexibility – Agri-based Processing

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

The objective of the Agri-based Processing Initiative is to increase the competitiveness of the Canadian agri-processing sector by enabling the adoption of new technology and processes and/or the introduction of new products. This is achieved by providing repayable contributions towards the purchase and installation of new-to-company equipment and machinery.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
12,385,173	7,837,882	(4,547,291)

Difference in financial resources is largely due to a realignment among AgriFlexibility programs. In addition, actual spending was less than authorized due to timing of implementation for multi-year projects under the AgriFlexibility program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
2	2	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increase in the number of agri-processing facilities adopting new technologies and processes	Number of agri-processing facilities adopting new technologies and processes through the program Baseline established in 2009 = zero (0)	35 over the period from June 1, 2009 to March 31, 2014	53

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded as of March 31, 2014. Under this sub-program there were agreements signed with 58 recipients, including five projects during 2013–14. Over the life of the program, five of the 58 recipients chose to terminate their agreements.

This sub-program was successful with its intended clientele and actually exceeded the target for participation. This was largely because funded projects were, on average, smaller than estimated at the outset of the program. This allowed for the funding of more agri-processing facilities than anticipated. One example of a funded project is a feed mill which received a repayable contribution to install a steel cylinder mill, increase grain and flour storage capacity, and increase the automation of the packaging line for its organic flour milling operation in Quebec. The project resulted in a very significant increase in production, an increase in both domestic sales and export sales, a decrease in the costs of production, an increase in demand for grain, and the creation of new jobs.

Sub-Program 3.1.5: Research Accelerating Innovation

Description: This program is designed to address emerging science-based requirements of the Canadian agriculture, agri-food and agri-based products sector by generating and providing access to scientific knowledge that helps the industry identify and mitigate risks to agriculture and agri-food production, keep pace with sustainability considerations, improve productivity and capture market opportunities. Objectives of this program include: conducting innovative research to understand key challenges and opportunities facing the sector; transforming scientific knowledge into agricultural products, processes and practices that improve competitiveness, profitability and sustainability of the agricultural sector; and working with industry to target Agriculture and Agri-Food Canada efforts towards key business risks and opportunities.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
27,195,157	32,108,136	4,912,979

Difference in financial resources is primarily due to a realignment among Programs and one-time amounts paid as a result of recent restructuring.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
118	141	23

Actual Full-Time Equivalents are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Knowledge is advanced to address the minimization of catastrophic threats to crops, optimization of livestock efficiencies, and improvements to food and safety	Number of new products, processes, technologies available for transfer to stakeholders Baseline from *Growing Forward* Programming (2008–13) = 51	56 new technologies, processes or products over the period April 1, 2013 to March 31, 2018	14 new or improved products, processes, technologies have been transferred to stakeholders during the 2013–14 period

Performance Analysis and Lessons Learned

Several new initiatives were launched in this program area under the *Growing Forward 2*[iv] framework to minimize catastrophic threats to crops, optimize livestock efficiencies, and improve competitiveness through enhanced food products and improved safety.

Agriculture and Agri-Food Canada commenced 52 new projects under the Sustainable Science and Technology Advancement Initiative and 46 new projects under the Crops, Livestock and Food Initiative and 43 new food safety projects.

For example, through the Sustainable Science and Technology Advancement Initiative, a database was developed to determine the status and capacity for change in nutrient and soil management practices of key production systems for the Canadian portion of the Lake Erie basin.

Plant diseases are the most limiting factor to food production in Canada. To develop resistant cultivars and prolong their durability, it is necessary to study their effects. Through the Crops, Livestock and Food initiative an ergot (group of fungi) nursery was set up in Lacombe, Alberta, to select ergot-resistant Triticale germplasm, the first of its kind in Canada. Triticale has numerous advantages. It can be grown Canada-wide, in diverse environmental conditions, and it has high-yield potential through improved stress tolerance and nutrient-use efficiency. Triticale offers Canadian agricultural and industrial end-users an environmentally sustainable and cost-competitive supply of grain and bioproduct feedstock for industrial uses, such as biomaterials, fuels and biochemicals.

Sub-Program 3.1.6: Research, Development and Knowledge Transfer

Description: The objective of Industry-led Research and Development and Knowledge Transfer is to accelerate the pace of innovation in the sector by supporting industry-led research, development and knowledge creation and transfer activities of innovative agricultural products, technologies, practices, processes and services in the agriculture, agri-food and agri-based products sector to increase market opportunities, foster innovation, industry investment and leadership. This sub-program provides non-repayable contributions to recipients and research support for Agriculture and Agri-Food Canada pay and non-pay operating funds to conduct approved applied science activities in support of a project.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
73,438,340	44,938,691	(28,499,649)

Actual Spending is less than Planned Spending mainly due to the high volume and the complexity of applications received by the program and the approval time-frame of some projects.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
127	151	24

Actual Full-Time Equivalents are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Sector has additional capacity to develop knowledge and technologies	Number of newly trained, highly qualified personnel in the sector Baseline established in 2012 from *Growing Forward* programming (2008–13) = 130	130 over the period April 1, 2013 to March 31, 2018	14

Performance Analysis and Lessons Learned

Industry's capacity for research and development has been identified as a barrier to innovation in many studies, including the meta-evaluation of Agriculture and Agri-Food Canada innovation programs. This program not only advances research, but also increases capacity in the sector, as indicated by the number of new scientists now working in the sector. There were 14 students who completed their Masters or PhD degrees in various science disciplines in 2013–14. It is expected that the majority of students working on projects will obtain their degrees in the last two years of the program.

Starting in 2014–15, this sub-program will also report on the number of peer-reviewed scientific publications produced under funded projects.

Sub-Program 3.1.7: Enabling Commercialization and Adoption

Description: The objective of Enabling Commercialization and Adoption is to accelerate the demonstration, commercialization and/or adoption of innovative agri-based products, technologies, processes or services to increase sector competitiveness across the value chain and realize returns on investments. This sub-program would provide repayable contributions for industry led agri-based commercialization and adoption projects as well as demonstration projects aimed at facilitating the commercialization or adoption of agri-innovations. Funding will be provided for activities that could include capital costs such as construction, purchasing and installing equipment, as well as marketing, and skills development, contracted services and labour. Eligible recipients are for-profit organizations.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
26,779,142	26,135,069	(644,073)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
8	10	2

Actual Full-Time Equivalents are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Sector has access to government and private investment capital to support demonstration, commercialization and adoption of innovative technologies, processes, products and services	Dollar value of private sector investments Baseline for both indicators established in 2012 = zero (0)	$118.5 million over the period April 1, 2013 to March 31, 2018	$20.8 million in 2013–14
Sector has access to government and private investment capital to support demonstration, commercialization and adoption of innovative technologies, processes, products and services	Dollar value of government investments Baseline for both indicators established in 2012 = zero (0)	$118.5 million over the period April 1, 2013 to March 31, 2018	$24.9 million in 2013–14

Performance Analysis and Lessons Learned

This sub-program is on track to reach its five-year target of $118.5 million in both private-sector and government investment in agricultural innovation. Contribution agreements under the program help to reduce the financial risk associated with late-stage commercialization activities which, in turn, help recipients secure additional private financing for continued investment in innovation. By the end of 2013–14, eight projects were approved and contribution agreements signed.

Sub-Program 3.1.8: Cost-shared Innovation

Description: Federal/provincial/territorial programming accelerates the pace of innovation in the Canadian agricultural sector by supporting research and development activities and facilitating the demonstration, commercialization and/or services in order to enhance productivity, competitiveness, economic growth, adaptability of Canadian agricultural sector, and assist in capturing opportunities for the sector in domestic and global markets. Funding is provided to academia, producers, agri-business and other organizations and encourages greater interaction among all parties.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
25,735,000	65,768,144	40,033,144

Difference in financial resources is primarily due to a realignment among *Growing Forward 2* cost-shared programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
8	10	2

Actual Full-Time Equivalents are higher than Planned due to a realignment of resources among Programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
The sector has additional capacity to adopt and commercialize new technologies, processes, practices and services	Number of innovation opportunities funded Baseline established from *Growing Forward* programming (2008–13) = 100	100 over the period April 1, 2013 to March 31, 2018	Provincial and territorial annual performance data to be provided in 2014–15

Performance Analysis and Lessons Learned

Each province and territory has the flexibility to design and implement programming that is tailored to meet diverse regional needs.

In 2013–14, provinces and territories implemented *Growing Forward*[xv] cost-shared innovation programming that includes supporting research projects and providing assistance to the sector by funding innovations that enable it to act on commercialization opportunities and to adopt new products, processes and technologies.

As this is the first year of the program, no results are available. Provincial and territorial annual performance data for 2013–14 are expected to be available in 2014–15.

In July 2013, the Department completed the *Evaluation of the Cost-Shared Non-Business Risk Management Contribution Programming under Growing Forward. Growing Forward*[xv] cost-shared non-business risk management programs administered by provinces and territories included programming to support science and innovation. The evaluation found that science and innovation programs funded a wide range of activities along the innovation continuum, from innovation priority setting and conceptualization, to research and the creation of innovation, to the adoption and commercialization of innovative products and processes.

Innovation is a priority area under *Growing Forward 2* and programming will continue to cover the entire innovation spectrum.

Program 3.2: Agri-Business Development

Description: This program builds awareness of the benefits and encourages the use of sound business management practices, while also enabling businesses in the sector to be profitable and invest where needed to manage the natural resource base sustainably and to market and produce safe food and other products. The Agri-Business Development program funds provincial and territorial activities related to business management practices and skills that: strengthen the capacity of businesses in the sector to assess the financial implications of business improvements, including the impact of environmental plans, food safety systems and innovation projects on their business profitability; manage transformation, respond to change and adopt innovation in business operations; help agri-business owners understand their financial situation, implement effective action and business management plans/practices and provide for enhanced participation by young or new entrants, First Nations clients, and clients in specific sub-sectors in transition.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
14,383,831	117,323,831	66,175,058	54,672,561	(62,651,270)

Differences in financial resources are primarily due to a realignment among *Growing Forward 2* programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
31	29	(2)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased realization of business goals	Percentage of participating businesses in Agri-Business Development program activities meeting their business/career goals Baseline established in 2012 = 55%, based on methodology using the previous surveys: The National Renewal Survey was conducted in 2004, 2007, and 2011 The Client Impact Survey was conducted in 2007, 2009 and 2012	55% by March 31, 2018	Provincial and territorial annual performance data to be provided in 2014-15

	The Farm Financial Survey was conducted in 2011 The Farm Management Canada Survey was conducted in 2011–12 The Agricultural Management Institute in Ontario survey was conducted in 2011 and 2012		

Performance Analysis and Lessons Learned

The Agri-Business Development comprises several distinct programs and services that support the agricultural industry in meeting its business goals. For example, the AgriCompetitiveness Program[i] supports industry and producers to develop business and entrepreneurial capacity to respond to domestic and international opportunities. Another example, farm debt mediation services assist producers and creditors to come to mutually satisfactory financial arrangements in insolvency disputes.

As this is the first year of the Agri-Business Development, no results are available. Provincial and territorial annual performance data is expected to be available in the winter of 2015. More specific performance results and analysis can be found in the corresponding sub-programs.

Sub-Program 3.2.1: Farm Debt Mediation Service

Description: Provides an alternative for resolving insolvency disputes in the courts. A financial consultant conducts a financial review of the operation and prepares a recovery plan. Professional mediators help the farmer and his or her creditors to reach a mutually-satisfactory financial arrangement. A stay of proceedings may be put in place to protect the farmer against recovery or seizure of assets. To be eligible, clients must be insolvent individuals, corporations, partnerships, co-operatives or other associations of persons engaged in farming for commercial purposes.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
4,401,053	3,400,656	(1,000,397)

Actual Spending is less than Planned Spending largely due to fewer applications received during the fiscal year, as well as savings identified from the recent restructuring undertaken by the government.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
15	14	(1)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Increased agreement between insolvent farmers and their creditors on financial recovery measures	Percentage of completed applications that result in signed arrangements between farmers and creditors Baseline established in 2011 = 79% based on the Report to Parliament on the *Farm Debt Mediation Act*: Farm Debt Mediation Service	82% by March 31, 2014	78%

Performance Analysis and Lessons Learned

The Farm Debt Mediation Service[li] provides farmers with financial consultation to help develop a recovery plan and mediation to help reach mutually satisfactory financial arrangements with their creditors. The baseline was calculated by determining the percentage of completed applications that resulted in a signed arrangement over the three-year review period that was covered in the 2011 review of the Farm Debt Mediation Service (79%). The actual result was calculated using the same methodology (for example, a three-year rolling average based on years 2011–12 to 2013–14). Signed arrangements vary on an annual basis due to many factors and can therefore be higher or lower than the overall three-year average in a given year. For example, of the 294 applications processed in 2013–14, 78% resulted in signed arrangements between producers and their creditors compared to 73% of the 323 applications processed in 2012–13.

Sub-Program 3.2.2: AgriFlexibility – Profitability Improvement

Description: AgriFlexibility seeks to assist the agricultural sector to adapt to pressures and improve its competitiveness by funding non-business risk-management measures that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges. AgriFlexibility funding is delivered to applicants either directly by Agriculture and Agri-Food Canada or by provinces/territories or industry groups who have presented successful proposals to Agriculture and Agri-Food Canada for a specific purpose to a targeted clientele.

The Profitability Improvement component of AgriFlexibility provides funding to develop tools and systems that enhance producers' access to agronomic, commodity or market information that will improve business and farm management. AgriFlexibility - Profitability Improvement provides funding for activities, recipients, projects and initiatives that are not eligible under Agriculture and Agri-Food Canada's *Growing Forward* programming to reduce costs of production, increase operational productivity and improve product quality.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
1,224,446	8,166,870	6,942,424

Difference in financial resources is largely due to a realignment among AgriFlexibility Programs as there was higher industry uptake than anticipated under this sub-program.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under the following sub-programs: 2.3.4 AgriFlexibility – Increased Market Demand and 3.1.4 AgriFlexibility – Agri-based Processing.

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Producers/partners/ industry implement actions to reduce their costs of production	Number of initiatives positively impacting profitability and competitiveness Baseline established in 2009 = zero (0) as AgriFlexibility - Profitability Improvement is a new program	22 over the period June 1, 2009 to March 31, 2014	23 for the duration of the program
Producers/partners/ industry implement actions to reduce their costs of production	Number of initiatives addressing regulatory change Baseline established in 2009 = zero (0) as AgriFlexibility - Profitability Improvement is a new program	1 over the period June 1, 2009, to March 31, 2014	1

Performance Analysis and Lessons Learned

AgriFlexibility[xiv] concluded as of March 31, 2014. This sub-program met its performance targets. There were 15 projects funded resulting in 23 initiatives positively impacting profitability and competitiveness. Of note, the Meat Hygiene Pilot regrouped 11 initiatives to improve profitability and competitiveness in small meat businesses across the country. One example of an industry-led project positively impacting profitability and competitiveness is Grow Canola 2.015, led by the Canola Council of Canada. Grow Canola 2.015 created five web-based and smartphone and tablet accessible products, providing just-in-time agronomic information for use by growers directly or indirectly through agronomists and other industry stakeholders.

One initiative to address regulatory changes was successfully launched in Quebec and had excellent uptake from its target clientele. This initiative assisted with industry adjustment to

changes in provincial income stabilization programming. The Program funded the development of farm action plans that would lead to the adoption of best management practices and improved profitability. Action plans were developed by producers with the assistance of financial or farming experts. There were over 4,400 such advisory services provided from the beginning of the strategy up to the last report provided by the province.

Sub-Program 3.2.3: Churchill Port Utilisation Program

Description: The program provides grant payments to legal entities, including the new voluntary Canadian Wheat Board, that arrange for the shipment of grain, outward, by ocean-going vessel, from the Port of Churchill. As the Canadian Wheat Board used the Churchill port regularly, this program will facilitate the transition to a new marketing model as it provides the time needed to establish increased diversification in the port of Churchill. Assistance under this federally-delivered program is up to $4.6 million per year for up to 500,000 tonnes of grain. Total assistance is for up to $23 million. This 5-year program ends on March 31, 2017.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
4,856,583	4,553,244	(303,339)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Grain shipments through the port are maintained	Number of tonnes of grains shipped Baseline established in 2011 on a historical average from 2005–10 = 500,000 tonnes	500,000 tonnes (per year) by March 31, 2017	635,962 tonnes in 2013 shipping season

Performance Analysis and Lessons Learned

The program was successful in maintaining historical levels of grain shipments. The 2013 shipping season saw some 635,962 tonnes move through the Port of Churchill, of which 494,918 tonnes were supported directly by the program. Further diversification of clientele has occurred, with five companies using the port in 2013. Before the program was implemented, the Canadian Wheat Board[xiii] was in most years the only user of the port.

The fact that there are more users, and over 20% of the tonnage was shipped without assistance in 2013, suggests that the transition to a new marketing model is well under way.

Sub-Program 3.2.4: AgriCompetitiveness

Description: The AgriCompetitiveness Program supports industry including individual producers to adapt to rapidly changing and emerging global and domestic opportunities and issues, thus supporting increased market responsiveness, and supporting business and entrepreneurial development/capacity. The activities under the AgriCompetitiveness Program fall under three streams. The Fostering Business Development stream funds various initiatives through grants and contributions.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
3,901,749	4,829,087	927,338

Difference in financial resources is primarily due to a realignment among Programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
12	11	(1)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Agriculture, agri-food and agri-based product businesses are able to adapt to a changing business environment	Percentage of farm business clients that were able to make better decisions because of the information and tools that originated in national organizations Baseline established in 2012 = 65%, based on a methodology using the previous surveys below: The National Renewal Survey was conducted in 2004, 2007, and 2011 The Client Impact Survey was conducted in 2007, 2009 and 2012 The Farm Financial Survey was conducted in 2011 The Farm Management Canada survey was conducted in 2011–12 The Agricultural Management Institute in Ontario survey was conducted in 2011 and 2012	65% by March 31, 2018	While the target is established for March 31, 2018, progress to date indicates it will be achieved

Agriculture, agro-food and agro-based product businesses are able to adapt to a changing business environment	Percentage of farm businesses clients that were able to adapt to change because of the information and tools that originated in national organizations Baseline established in 2012 = 50%, based on a methodology using the previous surveys below: The National Renewal Survey was conducted in 2004, 2007, and 2011 The Client Impact Survey was conducted in 2007, 2009 and 2012 The Farm Financial Survey was conducted in 2011 The Farm Management Canada survey was conducted in 2011–12 The Agricultural Management Institute in Ontario survey was conducted in 2011 and 2012	50% by March 31, 2018	While the target is established for March 31, 2018, progress to date indicates it will be achieved

Performance Analysis and Lessons Learned

Contribution agreements have been signed with five national not-for-profit organizations to support projects designed to enhance skills, tools and knowledge of entrepreneurs in the industry. These organizations have begun to implement activities under their approved projects that are expected to help agri-businesses adapt and improve their profitability and resilience by developing agri-businesses entrepreneurial capacity and individual and industry leadership.

Sub-Program 3.2.5: Cost-shared Adaptability and Industry Capacity

Description: The program provides support for provincial and territorial activities focused on sound business management practices by producers and agri-businesses to enable businesses to be profitable. Eligible programs and initiatives provide producers and agri-businesses with the knowledge, tools and skills needed to understand their businesses' financial situation, assess opportunities, and respond to change. Through the program, producers and agri-businesses will be able to advance their business goals, improve profitability and invest where needed to produce and market agricultural products safely and manage the natural resource base sustainably.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
102,940,000	33,722,704	(69,217,296)

Difference in financial resources is primarily due to a realignment among *Growing Forward 2* cost-shared programs.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
4	4	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Producers and agri-business clients are aware of business management practices, tools and services	Number of clients reached Baseline from GF programming (2008–13) = 15,000	15,000 over the period April 1, 2013 to March 31, 2018	Provincial and territorial performance data to be provided in 2014–15

Performance Analysis and Lessons Learned

Each province and territory has the flexibility to design and implement programming that is tailored to meet diverse regional needs. In 2013–14, provinces and territories implemented *Growing Forward 2*[iv] cost-shared, adaptability and industry-capacity programming that includes providing advisory and assessment services on business management practices and increasing irrigation and water infrastructures.

As this is the first year of the program, no results are currently available. Provincial and territorial annual performance data for 2013–14 are expected to be available in 2014–15.

In July 2013, the Department completed the *Evaluation of the Cost-Shared Non-Business Risk Management Contribution Programming under Growing Forward*[xv]. *Growing Forward* cost-shared, non-business risk management programs administered by provinces and territories included programming to support Agri-Business Development. The evaluation found that these programs are perceived to have contributed to an improvement in business management practices in the sector. Agri-Business Development programs have been popular with producers and are perceived to have contributed to an improvement in business management practices in the sector.

This area of programming is continuing under *Growing Forward 2* with an additional focus on business development support for businesses faced with new sector-wide market realities.

Program 3.3: Rural and Co-operatives Development

Description: Rural and Co-operatives Development advances the development of rural communities and of co-operatives by providing advice to government on policies and programs affecting rural communities and co-operatives.

(Note: In 2013, as part of Agriculture and Agri-Food Canada's ongoing consolidation and transformation efforts, a decision was made to wind-down the activities of the Rural Secretariat. This decision was made further to Agriculture and Agri-Food's programs and services review

during the Government-wide comprehensive review of program spending, announced in Budget 2012. The Department's Strategic Policy Branch now has responsibility for the rural lens to help ensure that the unique needs and challenges of rural communities are considered in agricultural policy and program development. The rural file is far broader than the agricultural sector and as such, many government departments have responsibilities for rural Canada. For this reason, it is important that every department's programs and policies reflect the unique circumstances of rural Canadians.

A Special Parliamentary Committee was mandated in 2012, to study the status of co-operatives in Canada. In its report, the Committee recommended that the responsibility for non-financial co-operatives be consolidated under one department, namely Industry Canada. The Government, in its response, agreed with the Committee's recommendation, and took steps to transfer the co-operatives file to Industry Canada. The transfer was completed in June 2013. Finance Canada remains responsible for financial co-operatives.)

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
4,063,511	4,063,511	4,126,694	2,577,149	(1,486,362)

2013-14 was a transition year in which the recent restructuring undertaken by the Government affecting Rural and Co-operative Development were gradually implemented. Starting in 2014–15, spending in support of Rural Development will be integrated within the other Programs and spending in support of Co-operatives Development will be reported under Industry Canada.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
13	8	(5)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Policy and research collaborations developed in relation to the innovation capacity and competitiveness of rural communities and co-operatives	Number of collaborative research or policy initiatives initiated and maintained Baseline 2012–13 = 3	4 by March 31, 2014	0

Performance Analysis and Lessons Learned

The Agriculture and Agri-Food Portfolio[iii] continues to invest heavily in providing essential programs and services to farmers and the agriculture industry – much of which is based in rural communities across Canada. All departments of the Government of Canada are contributing to

the prosperity of rural Canada by delivering programs and services that meet their needs. With the creation of Service Canada[lii] and on-line accessibility of information, residents in rural communities have many options to get information on federal programs and services.

The Department continues to provide support for co-operatives related to the agricultural sector since businesses, co-operatives, and non-governmental organizations are eligible recipients for departmental innovation, business development, adaptation, and other programs. In addition, there is a broad range of programs and services in several other federal departments that are available to co-operatives.

Sub-Program 3.3.1: Rural Development

Description: Enhancement of policy collaboration on agriculture-rural and rural development issues by seeding the adoption of innovation solutions that modernize and diversify the rural economic base and strengthen the agriculture and agri-food sector and the Canadian economy.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
3,496,759	2,568,515	(928,244)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
8	8	0

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Policy and research collaborations on strategic and targeted issues relating to innovation capacity and competitiveness of rural communities and regions initiated	Number of collaborative research or policy initiatives initiated and continued Baseline 2012–13 = 1	2 by March 31, 2014	0

Performance Analysis and Lessons Learned

Appreciating the importance of having timely access to information, the Department updated the Rural Canadians' Guide to Programs and Services[liii].

Sub-Program 3.3.2: Co-operatives Development

Description: Enhancement of policy collaboration on agricultural cooperative and co-operative issues by seeding the adoption of innovation solutions that modernize and diversify the rural economic base and strengthen the agriculture and agri-food sector and the Canadian economy.

Budgetary Financial Resources (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
566,752	8,634	(558,118)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
5	0	(5)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Policy and research collaborations on strategic and targeted issues relating to innovation capacity and competitiveness of co-operatives initiated	Number of collaborative research or policy initiatives initiated Baseline 2012-13 = 1	2 by March 31, 2014	0

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada transferred resources related to non-financial co-operatives to Industry Canada[liv]. The transfer was completed in June 2013.

Program 3.4: Canadian Pari-Mutuel Agency

Description: Section 204 of the Criminal Code of Canada designates the Minister of Agriculture and Agri-Food as the individual responsible for the policy and regulatory functions pertaining to pari-mutuel wagering on horse races. The Canadian Pari-Mutuel Agency is a special operating agency within Agriculture and Agri-Food Canada that regulates and supervises pari-mutuel betting on horse racing at racetracks across Canada, with the objective of ensuring that pari-mutuel betting is conducted in a way that is fair to the betting public. Costs associated with the activities of the Canadian Pari-Mutuel Agency are recovered through a levy on every dollar bet in Canada on horse races. The levy is currently set at eight-tenths of a cent of every dollar bet. Canadian Pari-Mutuel Agency 's strategic plans are focused on regulating and supervising pari-mutuel wagering on horse races in the most modern, effective and transparent manner.

Budgetary Financial Resources (dollars)

	2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
Gross	9,350,000	9,350,000	15,086,279	8,109,765	(1,240,235)
Less: Respendable Revenue	9,771,000	9,771,000	9,771,000	10,268,166	497,166
Net	(421,000)	(421,000)	5,315,279	(2,158,401)	(1,737,401)

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
44	36	(8)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Pari-mutuel betting is conducted in a way that is fair to the Canadian betting public	Percentage of compliance with the Pari-Mutuel Betting Supervision Regulations of Canadian racetracks and betting theatres inspected by Canadian Pari-Mutuel Agency officers Baseline March 2012 = 100%	100% by March 31, 2014	100% compliance There are no outstanding issues of regulatory non-compliance for any pari-mutuel operator licensed by the Canadian Pari-Mutuel Agency

Performance Analysis and Lessons Learned

The Canadian Pari-Mutuel Agency[lv] helped ensure pari-mutuel betting activities conducted at racetracks and betting theatres across Canada complied with the *Pari-Mutuel Betting Supervision Regulations*[lvi] and policies.

The Agency continued to provide equine drug control programs at racetracks so race outcomes were not influenced by the inappropriate administration of drugs or medications to race horses. The federal levy on pari-mutuel betting supported a Canadian Pari-Mutuel Agency operating budget of approximately $8.11 million for 2013–14.

Internal Services 4.1

Description: Internal Services are groups of related activities and resources that are administered

to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
279,468,875	292,052,774	232,738,071	232,577,216	(59,475,558)

Differences in financial resources are primarily due to realignment among Programs, amounts carried forward from 2012–13, and one-time amounts paid as a result of recent restructuring.

Human Resources (Full-Time Equivalents)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1,914	1,499	(415)

Actual Full-Time Equivalents are lower than Planned primarily due to recent restructuring undertaken by the Government. The Department is on track to reduce the number of Full-Time Equivalents in accordance with the targets established in 2012–13 and 2013–14. Planned Full-Time Equivalents did not reflect these factors due to timing of the preparation of the Report on Plans and Priorities.

Performance Analysis and Lessons Learned

The Investment Plan

Agriculture and Agri-Food Canada developed its second five-year departmental Investment Plan. The Investment Plan was approved by Treasury Board Ministers. This Investment Plan outlines planned investments from 2013–14 to 2017–18 in support of departmental priorities and expected outcomes.

The Department has demonstrated a commitment to continuous improvement and the departmental project management framework has been instrumental in this regard. The Department's project management capacity was assessed in accordance with Treasury Board Secretariat's Policy on the Management of Projects; the Department achieved the same capacity level as previously approved by Treasury Board.

Human Resources Management

Under the new Performance Management Directive, 100% of departmental managers and supervisors took mandatory Canada School of the Public Service training. In-house workshops

for managers and employees also helped increase awareness and equip staff to effectively fulfill obligations and efficiently attain benefits from the performance process. Since January 2014, 2452 employees have attended the workshops that were offered into mid-April 2014.

To better position the Department's workforce for the future, a five-year plan was put in place to review and address anomalies related to work descriptions, organizational structures (including reporting relationships and employee roles and responsibilities) and language profiles. This work ensures alignment with government-wide initiatives to improve classification, including the use of generic job descriptions.

To develop key competencies underlined by the Clerk through the Blueprint 2020 process, change management and adaptability training was provided to 300 employees and managers; additional materials were also integrated into the Management and Leadership Development Program.

Communications Services

During the past year, Agriculture and Agri-Food Canada communications focussed on *Growing Forward 2*[iv], providing information on programs and services that support the strategic initiatives of innovation, competitiveness and market development, as well as business risk management. Communications also supported efforts to transform program design, administration and service delivery and reinforced with Canadians the contribution of agriculture and food processing to economic growth and prosperity. Highlights also included communicating the agricultural components of key trade agreements, promoting the important scientific work of the Department, and improving communications with stakeholders and Canadians through an improved web and social media presence.

Agriculture and Agri-Food Canada also contributed to the Blueprint 2020 exercise, which is a dialogue the Clerk of the Privy Council has launched about the future of the Public Service. Through a departmental engagement campaign, Agriculture and Agri-Food Canada employees had the opportunity to offer their opinions, ideas and solutions to improve their workplace and how they serve the agriculture sector and Canadians. Over 3,000 employees contributed more than 5,000 submissions which were summarized in a report presented to the Clerk.

Programs and Service Management

The Department continued to develop and implement standard templates, forms and guidelines to ensure a consistent client experience across its programs, balancing the need for good governance of public funds and accountability, with client burden. There are now more than 30 standard products on its internal website, with over 20 of these made available over the last year in time for *Growing Forward 2* implementation. Performance and financial reporting has been made more consistent through standardised reporting templates and training to ensure greater understanding of terminology and requirements.

The Grants and Contributions Delivery System was successfully implemented, significantly simplifying business processes and improving on-line management and delivery of non-business risk management grants and contribution programs. This System is a major advancement for client-centered service and internal administrative efficiencies. Clients are now able to apply online and receive confirmation of receipt of their application for the programs. Program staff can review and verify online applications, record assessment results, record the project risk assessment, record Contribution Agreement details, commit funds for the project, and negotiate the work plan and budget with recipients.

Self-serve access for clients by phone was improved and simplified through a further 46% reduction of toll-free lines. Benefits of service improvement initiatives were measured using service standards and client satisfaction surveys. This information has proven valuable in providing a better understanding of client expectations and identifying priorities for improvement.

Greening Government Operations

The Department made significant progress over the first cycle of the Greening Government Operations initiative. Self-assessed status of either Achieved or Exceeded was attained for all targets, with the exception of Target 8.5 Greenhouse Gas Emissions Reduction, which is On Track to Exceed as it extends to 2020–21. Highlights include 15.1% and 24% reductions relative to base years for greenhouse gas emissions and paper consumption, which had an interim 2013–14 target of 3.1% and a final target of 20%, respectively. As well, the Department exceeded the requirements for Target 8.6 Electronic and Electrical Equipment. For Target 8.7 Printing Unit Reduction, the target ratio of 8:1 for office employees to printing units was met, albeit a year later than anticipated. For further information, please see the Greening Government Operations section of the Departmental Sustainable Development Strategy Supplementary Table[lvii].

Section III: Supplementary Information

Financial Statements Highlights

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of the Department's financial position and operations. More detailed information is provided in the Department's consolidated financial statements which are prepared using an accrual basis of accounting.

Agriculture and Agri-Food Canada
Condensed Statement of Operations and Departmental Net Financial Position (unaudited)
For the Year Ended March 31, 2014
(dollars)

	2013–14 Planned Results	2013–14 Actual	2012–13 Actual	Difference (2013–14 actual minus 2013–14 planned)	Difference (2013–14 actual minus 2012–13 actual)
Total expenses	2,525,800,000	2,472,847,000	2,778,550,000	(52,953,000)	(305,703,000)
Total revenues	63,738,000	64,033,000	63,571,000	295,000	462,000
Net cost of operations before government funding and transfers	2,462,062,000	2,408,814,000	2,715,410,000	(53,248,000)	(306,596,000)
Departmental net financial position	265,317,000	283,321,000	236,256,000	18,004,000	47,065,000

Note: Balances for 2012–13 have been reclassified from those presented in the 2012–13 Departmental Performance Report to present expenses of transferred operations to Shared Services Canada. See the Department's financial statement Note 15 for more detail.

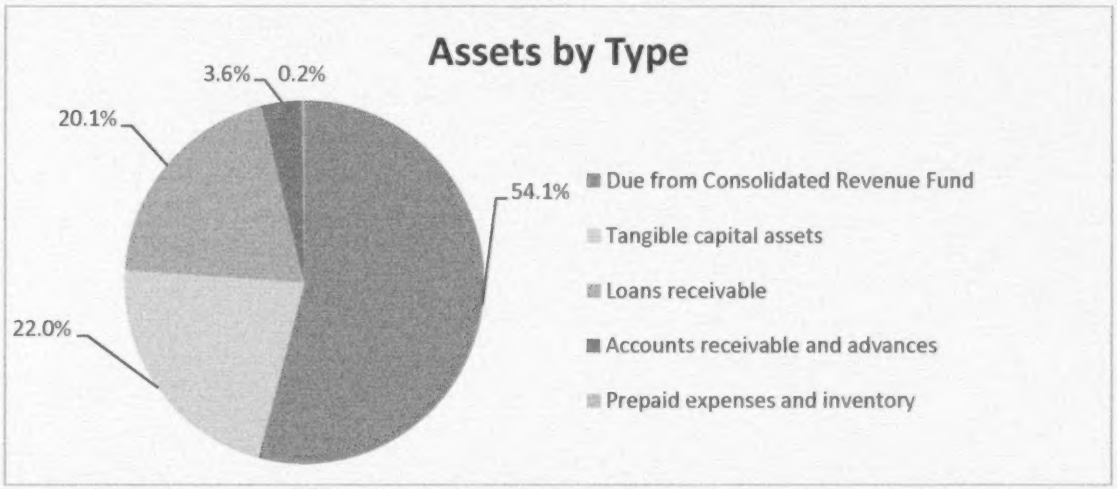
Agriculture and Agri-Food Canada
Condensed Statement of Financial Position (unaudited)
As at March 31, 2014
(dollars)

	2013–14	2012–13	Difference (2013–14 minus 2012–13)
Total net liabilities	1,063,996,000	1,305,798,000	(241,802,000)
Total net financial assets	969,166,000	1,163,029,000	(193,863,000)
Departmental net debt	94,830,000	142,769,000	(47,939,000)
Total non-financial assets	378,151,000	379,025,000	(874,000)
Departmental net financial position	283,321,000	236,256,000	47,065,000

Assets

The Department held, at the end of 2013–14, total gross financial assets of $1,326.0 million which are presented net of financial assets held on behalf of government, consisting primarily of loans receivable. The Department also held non-financial assets totalling $378.2 million.

Total net financial assets at the end of 2013–14 were $969.2 million, a decrease of $193.8 million over previous year's total net financial assets of $1,163.0 million. This was mainly due to a decrease in the balance in Due from Consolidated Revenue Fund ($178.7 million). Amounts due from the Consolidated Revenue Fund represent a charge against departmental authorities and are available for use by the Department in future periods without further authorities.

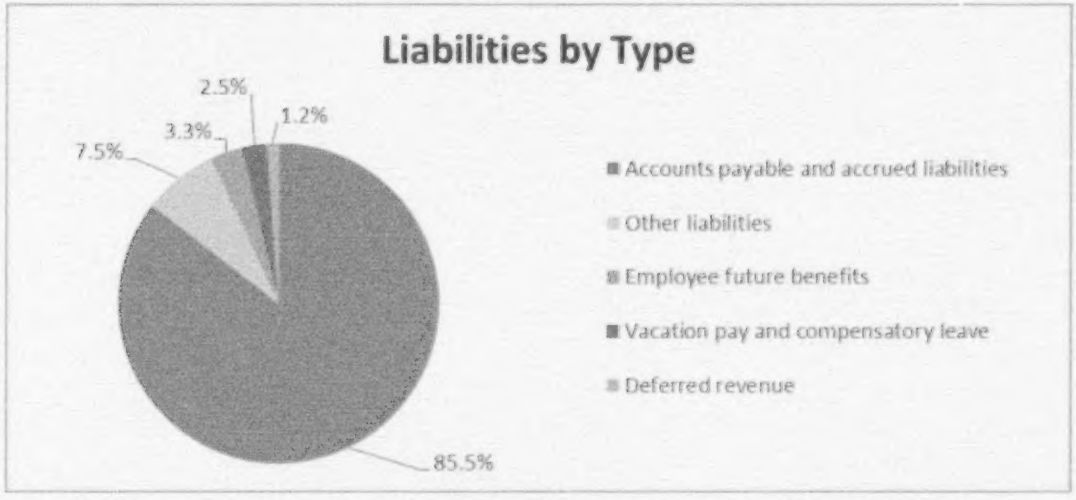


Note: Assets held on behalf of Government are included in this chart.

Liabilities

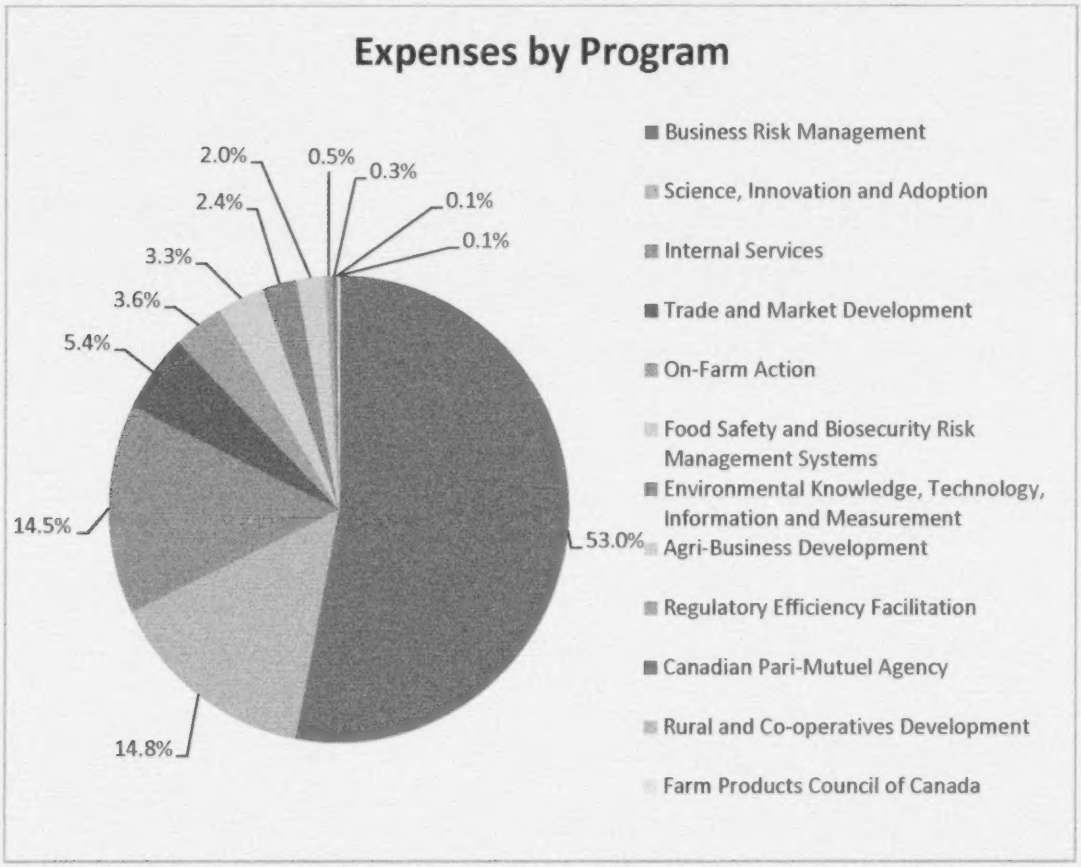
Liabilities arising from departmental activities consisted primarily of accounts payable and accrued liabilities, the majority of which were related to accruals in support of programs such as AgriStability that was delivered in 2013–14. The Department does not hold any liabilities on behalf of government.

Total liabilities at the end of 2013–14 were $1,064.0 million, a decrease of $241.8 million over previous year's total liabilities of $1,305.8 million. This was mainly due to a decrease of $203.7 million in accounts payable and accrued liabilities and $42.2 million in employee future benefits.



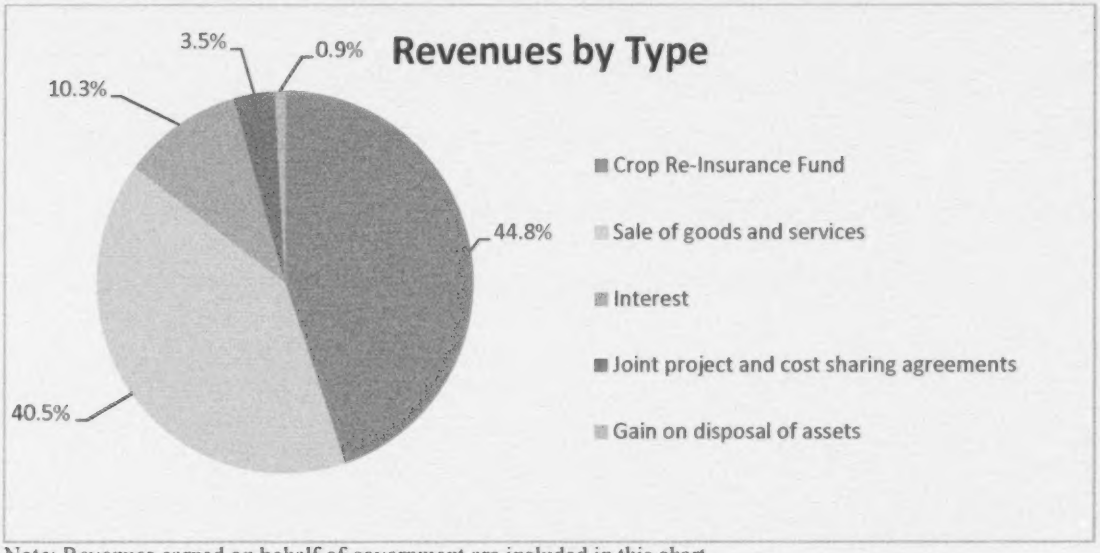
Expenses and Revenues

Expenses incurred and revenues earned, in support of Agriculture and Agri-Food Canada's programs and services that benefited Canadians during 2013–14, are detailed in the following charts.



Total expenses were $2,472.8 million in 2013–14, a decrease of $305.7 million over previous year's total expenses of $ 2,778.5 million. This was primarily due to a decrease of $130.0 million in Trade and Market Development and a decrease of $83.2 million in Internal Services; these decreases were offset by an increase of $58.9 million in Science, Innovation and Adoption.

Planned expenses for 2013–14 were $2,525.8 million compared to actual expenses of $2,472.8 million. This is mainly due to a decrease of expenses related to the Agri-Business Development program.



Note: Revenues earned on behalf of government are included in this chart.

Total revenues earned of $179.9 million in 2013–14 were primarily comprised of $80.6 million in Crop Re-insurance premiums, followed by $72.9 million in sale of goods and services. Total revenue is presented net of revenues earned on behalf of government in the departmental consolidated financial statements. Total net revenues were $64.0 million in 2013–14 compared to $63.6 million in 2012–13, an increase of $0.4 million.

Financial Statements

The Department's financial statements[lviii] can be found on Agriculture and Agri-Food Canada's website.

Supplementary Information Tables

The supplementary information tables listed in the *2013–14 Departmental Performance Report* can be found on Agriculture and Agri-Food Canada's website[lix].

- Departmental Sustainable Development Strategy;
- Details on Transfer Payment Programs;
- Horizontal Initiatives;
- Internal Audits and Evaluations;
- Response to Parliamentary Committees and External Audits;
- Status Report on Transformational and Major Crown Projects;
- Status Report on Projects Operating With Specific Treasury Board Approval;
- Up-Front Multi-Year Funding; and
- User Fees Reporting.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[ix] publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Public Information Requests Services
Agriculture and Agri-Food Canada
1341 Baseline Road
Ottawa, Ontario K1A 0C5

Telephone: 613-773-1000
Toll-free: 1-855-773-0241
Fax: 613-773-2772
Telecommunications Device for the Deaf/Teletype: 613-773-2600
Email: info@agr.gc.ca
Website: www.agr.gc.ca

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

Full-Time Equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-Time Equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcomes to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities and Departmental Performance Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1.

Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Report on Plans and Priorities and Departmental Performance Reports.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcomes.

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcomes to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i] *Department of Agriculture and Agri-Food Act*, R.S.C. 1985, c. A-9, http://lois-laws.justice.gc.ca/eng/acts/A-9/

[ii] Agricultural Acts and Regulations, www.agr.gc.ca/acts

[iii] Agriculture and Agri-Food Canada Portfolio Organizations, www.agr.gc.ca/portfolio

[iv] *Growing Forward 2*, www.agr.gc.ca/growingforward2

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[vi] Low Level Presence of Genetically Modified Crops, http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1352157082711&lang=eng

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[viii] Whole-of-government framework, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

[ix] *Agricultural Marketing Programs Act*, http://laws.justice.gc.ca/eng/acts/A-3.7/

[x] Public Accounts of Canada, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[xi] Farm Environmental Management Survey, http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=5044

[xii] Community Pasture Program, http://www.agr.gc.ca/eng/?id=1298388156452

[xiii] Agricultural Greenhouse Gases Program, http://www.agr.gc.ca/eng/?id=1331047113009

[xiv] AgriFlexibilty, http://www.agr.gc.ca/eng/?id=1277926779921

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[xvi] AgriStability, www.agr.gc.ca/agristability

[xvii] AgriInvest, www.agr.gc.ca/agriinvest

[xviii] AgriRisk Initiatives, www.agr.gc.ca/agririsk

[xix] Advance Payments Program, http://www.agr.gc.ca/eng/?id=1290176119212

[xx] *Agricultural Growth Act*, http://www.parl.gc.ca/HousePublications/Publication.aspx?Mode=1&DocId=6378152&Language=E

[xxi] AgriRecovery Framework, http://www.agr.gc.ca/eng/?id=1387480598562

[xxii] AgriRecovery (*Chapter 8 - Disaster Relief for Producers*), http://www.oag-bvg.gc.ca/internet/English/parl_oag_201311_08_e_38802.html

[xxiii] AgriInsurance, http://www.agr.gc.ca/eng/?id=1284665357886

[xxiv] AgriInsurance Program Audit, http://www.agr.gc.ca/eng/about-us/offices-and-locations/office-of-audit-and-evaluation/audit-and-evaluation-reports/agriculture-and-agri-food-canada-audit-reports/report-agriinsurance-program-audit/?id=1398795788947

[xxv] *Canadian Agricultural Loans Act* Program, http://www.agr.gc.ca/eng/?id=1288035482429

[xxvi] *Canadian Agricultural Loans Act*, http://laws-lois.justice.gc.ca/eng/acts/f-2.7/index.html

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[xxviii] Hog Industry Loan Loss Reserve Program, http://www.agr.gc.ca/eng/?id=1295643286745

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[xxxiii] Livestock Auction Traceability Initiative program, http://www.agr.gc.ca/eng/?id=1294344464885

[xxxiv] Transport Canada, http://www.tc.gc.ca/eng/menu.htm

[xxxv] Canadian Transportation Agency https://www.otc-cta.gc.ca/eng

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[xl] Value Chain Round Tables, http://www.agr.gc.ca/eng/industry-markets-and-trade/value-chain-roundtables/?id=1385758087741

[xli] Grains Round Table, http://www.agr.gc.ca/eng/industry-markets-and-trade/value-chain-roundtables/grains/?id=1385582114523

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[xliii] *Safe Food for Canadians Act*, http://laws-lois.justice.gc.ca/eng/acts/S-1.1/

[xliv] *Evaluation of the Minor Use Pesticides Program*, http://www.agr.gc.ca/eng/about-us/offices-and-locations/office-of-audit-and-evaluation/audit-and-evaluation-reports/agriculture-and-agri-food-canada-evaluation-reports/minor-use-pesticides-program/?id=1378325519297

[xlv] Facilitating Industry Regulatory Adaptation program, http://www.agr.gc.ca/eng/?id=1359660587756

[xlvi] Health Canada, http://www.hc-sc.gc.ca/index-eng.php

[xlvii] Farm Products Council of Canada, http://fpcc-cpac.gc.ca/index.php/en-GB/

[xlviii] *Farm Products Agencies Act*, http://laws-lois.justice.gc.ca/eng/acts/F-4/

[xlix] Science and Innovation, http://www.agr.gc.ca/eng/science-and-innovation/?id=1360882179814

[l]AgriCompetitiveness Program, http://www.agr.gc.ca/eng/?id=1359338007173

[li]Farm Debt Mediation Service, http://www.agr.gc.ca/eng/?id=1279223072999

[lii]Service Canada, http://www.servicecanada.gc.ca/eng/home.shtml

[liii]Rural Canadians' Guide to Programs and Services, http://www.agr.gc.ca/eng/programs-and-services/rural-canadians-guide-to-programs-and-services/?id=1395073769126

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